

OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

INQUIRY INTO THE IMPACT OF THE STATE GOVERNMENT'S  
DECISION TO CHANGE THE URBAN GROWTH BOUNDARY

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# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witnesses

Department of Planning and Community Development

*Mr Yehudi Blacher, Secretary, (affirmed); and*

Growth Areas Authority

*Mr Peter Seamer, Chief Executive Officer, (affirmed).*

**The CHAIR** — I welcome everybody to the public hearing of the Outer Suburban/Interface Services and Development Committee. All the evidence taken in this hearing is protected by parliamentary privilege as provided under the Constitution Act 1975 and is further subject to the Parliamentary Committees Act 2003, the Defamation Act 2005 and, where applicable, the provisions of reciprocal legislation in other Australian states and territories. Any comments you make outside the hearing may not be afforded such privilege. I ask that you introduce yourselves and provide a mailing address so that we can send you a copy of the transcript of your evidence in due course.

**Mr SEAMER** — The address is the level 29, 35 Collins Street, Melbourne.

**Mr BLACHER** — Mine is level 12, 1 Spring Street, Melbourne.

**The CHAIR** — You have about 20 minutes to make your presentation, and then we will take 20 minutes or so for questions or follow-up comments from members of the committee.

**Mr BLACHER** — Thank you, Chair. I may not take the full 20 minutes, but thank you for the time. Could I just begin by setting the context for my remarks. As the committee is aware, Melbourne 2030 was released in 2003 and as part of the first five-year review it was clear that the rate of population growth estimated in 2003 would be exceeded. In order to accommodate the growth, despite the increased densification in the already established areas, an expansion of land supply in the growth areas was required.

As a result, in December 2008 the Victorian government released Melbourne @ 5 Million, which outlined the need for about 600 000 new homes over the next 20 years. Of that, about 284 000 would be located in the already existing growth areas — Casey, Cardinia, Melton, Caroline Springs and the Hume–Mitchell–Whittlesea area, as well as Wyndham. Of these, around 150 000 were able to be accommodated within the existing growth areas, leaving the need to find an additional 134 000 new dwellings in the expanded growth areas.

Announced at the same time was the intention to introduce a growth areas infrastructure contribution, known as the GAIC. The GAIC is designed to capture a proportion of the land value increase brought about by land coming into the new urban growth boundary. The intention was that all the receipts and revenue received from the GAIC would be spent on new infrastructure in the growth areas.

The release of the Delivering Melbourne's Newest Sustainable Communities program for public comment in June this year is the government's response to this urban development challenge. This integrated transport and land-use planning program is designed to provide enough land for residential, commercial and employment development to meet the demands of a rapidly growing population and ensure that the essential transport and other infrastructure is in place to support it.

The package of initiatives includes, of course, the proposals to expand the urban growth boundary. The government held a public consultation process in relation to the draft boundary changes. That was open for submissions until mid-July this year, and the government is currently considering the submissions and preparing a proposal for the urban growth boundary changes to present to Parliament.

Responses to the specific points in the committee's terms of reference are included in the government's response document which was sent to the committee by the Minister

for Planning. I understand the committee would have received that in the last few days.

I will spend the rest of my time providing some more specific information on the GAIC bill itself. As I indicated, the growth areas infrastructure contribution is an essential part of the program to help deliver services and infrastructure to the proposed new communities. It is designed to tap into some of the uplift in land values which occurs when land is brought within the urban growth boundary and zoned for urban development. This revenue will help ensure that the necessary infrastructure is delivered sooner when it is most needed to create sustainable communities.

The government has prepared a draft bill for Parliament's consideration to implement the GAIC. This was released last week as an exposure draft for public comment and is available on the website of the Department of Planning and Community Development; briefings and information sessions are also available to interested parties.

The GAIC is a simple flat-rate-per-hectare contribution. It is intended that the contribution will provide between 10 and 20 per cent of the cost of infrastructure, including roads, public transport, walking and cycling paths, libraries and major recreational facilities.

All land within the relevant GAI contribution areas that is zoned for urban development is liable for the contribution, which is incurred the first time the land is sold, subdivided or developed. The GAIC is paid only once.

Due to the nature of the GAIC, the provisions must comply with taxation law, and this means that many of the processes established for the GAIC have to comply with the Taxation Administration Act 1997.

The amount of growth areas infrastructure contribution liable to be paid is dependent on when the land becomes part of the urban growth boundary. Type A land is classified as land brought into the existing urban growth boundary between 28 November 2005 and the end of December 2006 and zoned for urban development. Type A land will be charged at \$80 000 per hectare, indexed annually.

Type B1 land refers to land announced as part of the investigation area on 2 December 2008 which has been brought inside the urban growth boundary and zoned 'urban growth zone'. Type B1 land will be charged at \$95 000 per hectare, also indexed annually.

Type B2 land is classified as land announced as part of the Melbourne west investigation area on 19 May 2009 which has been brought inside the urban growth boundary and zoned 'urban growth zone'. Type B2 land will be charged at \$95 000 per hectare, also indexed.

Finally, type C land refers to any other land which has been brought inside the urban growth boundary within a growth area and zoned 'urban growth zone'. Type C land will be charged at \$95 000 per hectare, also indexed.

There are a number of exemptions under the new proposed legislation, and I would like to go through them. The first is land that is not zoned for urban development. This applies to land that may be susceptible to flooding or where there are substantial areas of high-quality native vegetation or land used for quarrying. The second is land that is less than or equal to 0.41 hectares, or one acre, in the area. The third is land where there is a pre-existing recorded covenant or agreement that prohibits subdivision or restricts the use of land to a single dwelling. The fourth is land that is surrendered to the Crown or transferred or exchanged between public authorities. The fifth is land that is transferred or exchanged for no consideration — for example, as a result of a will or bequest. The final one is any transaction or sale of land that is between 0.41 and 2.03 hectares if the lot has an existing dwelling on it.

Note though that any proposal to subdivide the land will be subject to a growth areas infrastructure contribution liability. In addition the bill provides for the creation of a hardship relief board which will be able to grant either reductions in the amount of a GAIC to be paid or an exemption from payment for that GAIC event. This mechanism will ensure that people who have suffered from financial hardship are able to obtain relief.

The growth areas infrastructure contribution is triggered by the first of any of the following events: firstly, a dutiable transaction relating to land — for example, a property sale or transfer; secondly, the issuance of a statement of compliance for a plan of subdivision or the application of a building permit. After these events happen, the growth areas infrastructure contribution must be paid: in the case of a dutiable transaction it is by the purchaser, in the case of a statement of compliance it is by the owner of the land and in the case of the application for a building permit it is also by the owner of the land.

The bill also provides for two avenues for persons who are liable to pay the GAIC to delay payments. In the first case for a dutiful transaction, any purchaser may elect to defer payment until just before the next growth areas infrastructure contribution event is triggered. This simply requires an application to the State Revenue Office to state that the purchaser wishes to defer the payment. An amount of over \$2 million will require the agreement of the Treasurer. Otherwise the election is automatic. In the second case, a person who is liable to pay the GAIC in relation to a subdivision or building permit may seek the approval of the Minister for Planning for a staging of payments. This can occur when there is an approved staged plan of subdivision or building development. Again, any amount over \$2 million will require the consent of the Treasurer. In this case the approval is not automatic. In both cases an interest rate will be applied to any deferred or staged payment amount.

The State Revenue Office will collect the GAIC. The contribution will be equally allocated between two funds — the Growth Areas Infrastructure Fund and the Growth Areas Development Fund. The Growth Areas Infrastructure Fund will be used to partially offset the cost of important state infrastructure projects in the growth areas. The Growth Areas Development Fund will also be used to fund infrastructure, but it will be done through an application process to which councils in the growth areas can apply. Some of this revenue will also go to the costs of the Growth Areas Authority.

These funds will be administered by the Department of Planning and Community Development. The department will forward the funds to the Growth Areas Authority to administer the individual payments and projects. While both funds will be used to provide state infrastructure, the GADF will also focus on projects, as I said, supporting economic and community infrastructure following consideration and approval of applications by local councils.

The government has anticipated that the growth area infrastructure contribution will amount to approximately \$230 million over the four-year period from 2009–10. The total GAIC revenue is subject to a number of variables, including the total amount of land subject to the growth areas infrastructure contribution and of course the pace at which land changes hands.

The growth areas infrastructure contribution legislation includes comprehensive reporting requirements in relation to the collection and expenditure of contributions received and its allocation across the growth areas. Proposals to move the growth areas boundary and introduce the GAIC are based on a clear understanding of the nature of urban development and the requirements of new communities. The GAIC reflects the government's commitment to minimise the impact on small land-holders through exemptions being offered, the setting up of a hardship relief board and the ability to defer payments. In addition the needs of the development industry are taken into account through such mechanisms as staged payment approval, which allows for large developments to have a GAIC liability paid off in line with the staging of development.

As I indicated earlier, the government is committed to spending all GAIC revenues in the growth areas where it is raised. My department and the Growth Areas Authority will publicly report on expenditure annually, and all transactions will be handled by the State Revenue Office in keeping with the requirements of taxation law. Should the committee require any further information in respect to the GAIC, I refer you to the new information sheet produced by the Growth Areas Authority for release with the draft exposure bill. I think you have a number of copies of it here, which I am happy to circulate to the committee. Mr Seamer and I would be happy to answer any of your questions.

**The CHAIR** — Do you have anything to add?

**Mr SEAMER** — No, the GAA's views have totally been presented in that submission.

**Ms HARTLAND** — I have a number of questions. What is the infrastructure cost per housing block outside the growth boundary?

**Mr SEAMER** — It depends what you incorporate in that, because there are a lot of different charges around the utility charges, user charges and things like that. There is not a definite position; they vary considerably.

**Ms HARTLAND** — I am talking about supplying schools, roads, libraries, transport, buses and those kinds of things, because it seems to me that the outer suburbs that already exist are very poorly serviced by all of those things, so how can we expect that to happen outside the growth boundary, and what is the real cost of providing those services?

**Mr SEAMER** — I do not have a figure available with me today, but if you would like, through the committee, we can come back and give you a response to that question.

**Ms HARTLAND** — In the *Age* recently Michael Buxton has been saying it would cost \$300 000 per housing block. You have not done that kind of work?

**Mr SEAMER** — I am sorry, who?

**Ms HARTLAND** — Michael Buxton from RMIT.

**Mr SEAMER** — Yes, I know Michael. We have done some work on that, and as I say, if you wish us to, we can have a look at that and come back to the committee in regard to that.

**Ms HARTLAND** — What work has been done on transport, especially in terms of trains; what kind of configurations have you done about how many train lines and how many stations are going to be needed to service these new areas?

**Mr SEAMER** — The government has made very significant announcements recently, particularly in regard to the regional rail link. Those have been costed, and the proposals have been put out in the public arena. The details of those are provided, and you can get those off the website or, if you like, we can pass a copy of those through to you.

**Mr NARDELLA** — It is the Victorian transport plan.

**Ms HARTLAND** — I realise the Victorian transport plan is there, and as someone who takes public transport quite regularly I know how deficient it is now, so what I am talking about is if it is pushed out into those outer suburbs, what work is being done by your organisations to look at how that is going to work, especially in places like Beveridge, which is 50 kilometres out of the city?

**Mr BLACHER** — Perhaps I could answer the question. The issues that we have been discussing are in the context of land that is going to be brought within the urban growth boundary. The transport plan and investments by the government in the transport plan are for providing transport infrastructure within that framework. We can provide them to you, but all the details are actually in the plan in the context of the various investments for the outer suburbs over the coming period.

**Ms HARTLAND** — I did not actually notice it for places like Beveridge, and the train that is going to Caroline Springs is still on a non-electrified line et cetera, so it does not seem to me that there is a lot of upgrading of infrastructure. I am a bit surprised that you do not know that that has not been incorporated in this plan, yet you are going to push out those boundaries.

**Mr BLACHER** — Perhaps I could once again refer you to the transport plan, and I am sure you could get all the — —

**Ms HARTLAND** — I have read the transport plan several times, but I am surprised the government is pushing it out this hard after what I have seen in places like Caroline Springs and some other parts of my electorate that have waited years and years for really basic services. How long can these new suburbs expect to wait for basic things like libraries, hospitals and medical centres?

**Mr BLACHER** — Again, in terms of the transport facilities I could refer you again to the transport plan, and beyond the details in the plan you could always get the details from the Department of Transport, which will have all the details in relation to each of the specific investments and the time frames for those investments.

**Mr SMITH** — When this thing was launched on the community back in January or February this year it was the greatest plan of all time and the landowners were going to pay the money. Last Friday the minister did a complete backflip and has decided to put it on the developers. What brought about that backflip?

**Mr BLACHER** — There have been a range of ongoing consultations, and even at the time it was launched the government indicated it would be involved in wide-ranging consultations, and the architecture of the GAIC has reflected those consultations.

**Mr SMITH** — Obviously there was no thought given to it to start off with when you put people through 12 months of trauma by saying it was going to be the landowners who paid this money. Some of them have nearly gone mental with the stress that this government has caused them, and yet all of a sudden you do a backflip on a Friday afternoon, before a weekend. I just cannot make sense of why you would do this, so tell me.

**Mr BLACHER** — I can only repeat, Mr Smith, that the government indicated at the time that it would go through wide-ranging consultations. Those discussions had gone on during the intervening period, and at some point the government would then consider those consultations and make an announcement. So there is always a point in time at which an announcement is made, and that was last week.

**Mr SMITH** — Are you going to make another change before it is all announced, before the plans are brought out — the follow-on plans — or is that it now?

**Mr BLACHER** — Well, I have indicated to you there is an exposure draft out for comment at the moment. Obviously that is open for anybody to make comments.

**Mr SMITH** — All right. The paper put out by, I think, the minister or the department this week says:

The GAIC will apply to land brought into the urban growth boundary (UGB) and rezoned for urban development, to help build vital infrastructure such as roads, schools, parks and public transport.

I would have thought, for a start off, roads and public transport were government responsibilities, so we are suddenly moving them off now to the developer of the land who will be putting in the roads and all of the infrastructure on the development at the time. They are paying for that. Now it looks like they are going to be paying for all of the parks, the schools and the public transport to get to the areas.

**Mr BLACHER** — Well, as I indicated in my presentation, the GAIC is intended to raise between 10 and 20 per cent of the cost of state infrastructure. It has always been seen as a contribution to those investments. The overwhelming majority of the cost will be done through the budget process.

**Mr SMITH** — In the original papers it was set out, I think, that it was going to be 50-50. It was going to in fact go into the local development. There was going to be 50 per cent put into a government slush fund. What was the government slush fund going to be used for?

**Mr BLACHER** — Perhaps I could just outline to you the two funds which I indicated in my presentation. There were two funds: one was the contribution to state infrastructure, which is the infrastructure fund, and then there was also the second fund, which was a fund which could be applied for by local councils in the growth area. Both of those funds will be funds for investment in essential infrastructure in those growth areas.

**Mr SMITH** — All right. The minister in his backflip then changed around from it being put on the landowners to being put onto the developers who buy the land and said they are going to have the option to defer payment. What is it going to cost them to defer payment?

**Mr BLACHER** — There will be as-yet-to-be-determined interest rates associated with the deferral, as I indicated in my presentation.

**Mr SMITH** — What interest rate?

**Mr BLACHER** — Well, it is as yet to be determined.

**Mr SMITH** — Still to be determined?

**Mr BLACHER** — Yes.

**Mr SMITH** — So these people are going to go into it blind; they do not know.

**Mr BLACHER** — No. The government will make a decision in the near future to determine what the interest rate will be.

**Mr SMITH** — So it will be for the government to determine, no. 1, whether there will be a time period that they can defer the payments for, and then at what sort of interest rate they are going to pay them at?

**Mr BLACHER** — Well, again, as I indicated in my presentation, there are two types of deferral: one is an automatic deferral in relation to particular individuals who may be seeking a deferral, and the other is where there will be some discretionary deferral available through a decision made by the Minister for Planning. But those deferral processes are ones which will be outlined very clearly in the legislation. Do you want to add something?

**Mr SEAMER** — Yes. The legislation does cover off on the level of interest rate. The maximum is set in the legislation, which is the existing premium rate. That would be a percentage above a typical bank bill rate, which is an existing technique already used in a number of different government areas. That is clearly set as the absolute maximum. The government has the opportunity of having a somewhat lower rate if they wish. That is set out in the bill.

**Mr SMITH** — Just one more question, Chairman. It says here also in the minister's press release:

There has been a lot of misinformation spread in the community about the GAIC causing confusion and unnecessary anxiety.

What?

**Mr SEAMER** — If it is in the minister's press release, that would be an issue for the minister to respond to.

**Mr SMITH** — No, I am sorry. You are the bloke who is in charge of all this. Your name was on bottom of all the letters.

**Ms GREEN** — I have had it in my letterbox, Ken.

**Mr NARDELLA** — I have had it in my letterbox too.

**Mr SMITH** — I just would like to know what sort of misinformation there was that was put out.

**Mr SEAMER** — There have been some things about it being called the death tax and things like that, which I personally find misleading. There was an ad in the paper recently that we made some comment about that. Certainly there have been things put out there that would not be our interpretation of the facts.

**Mr SMITH** — Obviously what you put out nearly 12 months ago was misinformation, because you have now done a complete backflip on it, haven't you?

**Mr SEAMER** — The information put out by government was as — —

**The CHAIR** — Thank you very much, Ken. Danielle?

**Ms GREEN** — I am interested in the second term of reference, the ‘mechanisms to ensure the contributions are directed only to the intended purposes’. Representing an area like mine, with two growth corridors and one of the proposed expansion areas of the UGB, I think there has been a fair commitment and adherence to developer contributions in the existing mechanisms through local government, but both the development community and residents have been pretty concerned over time that every now and again councils have had a little rush of blood and done a backflip.

I would use the example of an industrial estate in Epping where there was public open space set aside in the development plan for the people who worked there and for the community to use for passive recreation, and out of the blue the council decided to sell the land for its own purposes for development, and the developer itself had spent a lot of money landscaping that land. There was another example where developer contributions in the Whittlesea township had been acquired for the purposes of constructing a road, and the council decided out of the blue it was going to use it to construct a footpath and then lay a special charge scheme on the residents. I am very concerned, and we have had to legislate at different times to deal with that, so if there is going to be a contribution from the development community for state infrastructure, we need to ensure at the outset that those mechanisms will be watertight so the community can have faith in that for the delivery of the infrastructure.

**Mr GUY** — Is this a question? What is the answer? It was not a question.

**Ms GREEN** — You can read the second term of reference, I am sure, Matthew.

**Mr GUY** — I am sure you did, Danielle.

**Mr SEAMER** — Firstly, as set out on the title of the thing, it is a contribution, so unlike the council DCPs, which are more or less meant to substantially fund something, this is only a small contribution. The nexus between the two, if you like to look at it, is that the money being spent by government will always be well in excess of the amount of money raised. Secondly, the items on which it is expended are going to be in the public arena. Both through the GAA annual reports and the department’s annual reports we will have to say what the money is actually expended on, so the community can always have a very transparent understanding of where the money is going and every cent of it will be covered that way. I think that covers off reasonably well. As I say, it is a contribution, not like a council DCP which is meant to substantially fund the works in question.

**Ms GREEN** — So at the outset when there is a development plan for a particular area would that be the point in time when the council in consultation with the GAA would say, ‘This is what the infrastructure will be in this development plan’ in a particular subdivision, and that is what the GAIC would be applied to? Would that be the point in time? I am interested in the point in time so the community and the development community understand.

**Mr SEAMER** — There is quite a structured planning process in place, and the decisions on staging — —

**Ms GREEN** — Sorry, structure plan is what I meant, yes.

**Mr SEAMER** — With the level of state infrastructure, firstly, when you look at very large items such as the regional rail link and things like that, they tend to come through in major government announcements such as the transport plan. For smaller items these will be identified, although the actual funding source will not necessarily be able to be covered off in the precinct structure plan. In doing a thorough plan for the area the precinct structure plan will identify the types of things that are required, and that advice can be passed through to government for its

consideration in its annual budget process. That is the sort of process that we are trying to use in the precinct plans, and that is a step forward for state infrastructure planning.

**Ms GREEN** — Chair, I am not sure that my question has been answered in relation to the second point.

**The CHAIR** — I am going to Matthew, as we are running out of time.

**Mr GUY** — I just want to know about the indexing figures. I know you mentioned some rates before, but how are the indexing figures set?

**Mr SEAMER** — Sorry, the indexing for the — —

**Mr GUY** — The GAIC; the annual indexing of the GAIC.

**Mr SEAMER** — The broad principle is that it would be based on a construction index. The commonly used one is one provided by the bureau of statistics, but I think that under the legislation they talk about a construction index approved by the Treasurer. I would actually like to confirm that exact wording, but that was my understanding of the exact wording.

**Mr GUY** — So if the land is deemed undevelopable due to native vegetation or other factors, as the minister says, later in the process and the GAIC has already been paid, what is the process for reimbursing the people who have then paid the GAIC to get that land?

**Mr SEAMER** — There is no process proposed here, but hopefully in the planning process that situation would not occur.

**Mr GUY** — Hopefully! So the reality is that people could paid \$95 000 per hectare on land that is deemed undevelopable later in the process, and there is no mechanism for a refund.

**Mr SEAMER** — Basically the charge applies to developable land at the time when people undertake an action. It is up to the owner of that land to ensure that they are aware of the circumstances that apply at the time.

**Mr GUY** — So if Melbourne Water then intervene later in the process and deem it undevelopable and you have paid \$95 000 per hectare, there is no chance to be reimbursed for that money.

**Mr SEAMER** — I doubt very much that situation would apply.

**Mr GUY** — But that situation occurs now.

**Mr SEAMER** — I doubt that that would apply in the growth area.

**Mr NARDELLA** — How does that occur now?

**Mr GUY** — If you do not know the process, Don, people have land that is set aside for development. Later in the process Melbourne Water or another statutory authority comes in and says, 'This land is now undevelopable' because of whatever reason — not just native vegetation; there has been an overlay placed on it or other reasons which they have not factored in.

**Mr NARDELLA** — Is it an easement or an overlay?

**Mr GUY** — An overlay. And therefore they have paid \$95 000 per hectare on land and there is no chance for that money to be reimbursed. If you want to stand on that side of the table, Don, you can.

**Mr NARDELLA** — No, because I do not think it is true.

**Mr GUY** — They have got 14 days to look into this, and it is going to be \$2 billion worth of tax.

**The CHAIR** — Order! We will not have a debate. I want the witnesses to answer the questions, please.

**Mr SEAMER** — Firstly, if the land is acquired, for example, by Melbourne Water for their purposes then normal land compensation would actually cover off the GAIC charge. So I would not imagine that that would be a particular problem, for those reasons.

**Mr GUY** — For your information the minister admitted in Parliament that it could be a problem. So the minister says that it could be a problem and you say that it cannot be, so I would be very interested to see who is actually right on that. This is my very last question, because I know you want to go to others. I just want a guarantee. You said that the funds that are collected are going to be spent in the area that they are from. What guarantee do we have that that is the case?

**Mr SEAMER** — Well, the rules for it are actually set out in the legislation, and you will be able to check where the money is spent. If there is a problem with it, that will be something which you will be raising. But it is certainly the intention of government to spend the money in the growth areas.

**Mr GUY** — My question was: what guarantee is there that the money collected from each area will be spent in the area that it is taken from? If the developer is value-adding by paying \$95 000 per hectare, obviously they expect their product to be value-added too. What guarantee will they have that their money will then be spent in that growth area where the money was taken from?

**Mr SEAMER** — What they have is what is set out in the legislation.

**Mr GUY** — So nothing.

**Mr SEAMER** — That is not correct.

**Mr NARDELLA** — No, that is not true. Read the legislation.

**Mr GUY** — It is nothing. It is not a real guarantee. I asked for a guarantee; there is none.

**Mr NARDELLA** — You are just lazy. You are not prepared to read.

**The CHAIR** — Thank you, gentlemen. As you can see, the committee is very interested in this subject. In due course you will get a copy of the Hansard transcript for proofreading.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witness

Devcon Group Pty Ltd

*Mr E.A. Krumins, Director, (affirmed).*

**The CHAIR** — Welcome to the hearing, Mr Krumins. Whatever you say here has protection under the Parliamentary Committees Act, the Constitution Act and the Defamation Act which will protect you from any litigation; however, if you repeat it outside, you will not have the same protection. We have about 20 minutes for your presentation and we allow about 10 minutes for dialogue with the committee. Can we please have your mailing address to post the transcript to you?

**Mr KRUMINS** — P.O. Box 5190, Pinewood 3149. Thank you, Mr Chairman, for giving us this opportunity. Due to the legislation that was announced last week we have had a slight change in focus, because of that new information. I presume you have already got the submission we originally presented. We would like to elaborate more on parts of that, if I could hand out copies of the submission plus an attachment you can refer to.

**The CHAIR** — Whilst you are doing that, I will say we are quite informal here, although we have the oath. We need that so we can quote you in our reports if necessary, so we give the protection. But generally the committee is run quite informally, because after all we want to get as much information as possible from the witnesses.

**Mr KRUMINS** — If I could, just by way of background, turn to the last page of the attachment to put into context who I am representing here. On the last page you will see an aerial photograph with some of the zoning provisions. This is what is sometimes known as Warrensbrook Faire. It is a tourist precinct on the Melton Highway at Plumpton, sometimes also known as Rockbank. You can see the green colour which is a special use zone currently, and the northern part is for a quarry which is now a landfill process. The southern portion, south of the Melton Highway, is a tourist precinct with various restaurants, wineries and so forth; I am not sure who is familiar with it. Our client's land is shown in the red shaded area. It falls both partly within the special use zone and currently within the green wedge zone.

I mentioned the relevance of this particular one as far as what was available from the previous material and what has been released, and we have tried to incorporate both into that part. This particular submission is made on behalf of the Galli family, which holds the land I have just outlined in four titles. Unfortunately Mr Galli, Sr — Lorenzo — who was one of the leading developers in Queensland and also of a fair bit of Victoria, passed away some years ago. The owner of a substantial number of properties and various interests around the state, he left a very complex will arrangement which has complicated dealings going forward. Originally they were owned by Lorenzo Galli and his wife, Pamela Galli, who happens to be his second wife, and there is a son from the first marriage, Michael, who is also involved. Some of the transactions as a result of the will have complicated this even more.

Mrs Galli, by the way, is 69 years old and a very active person who is still interested in the business. She has been trying to resolve this will issue now for nearly three years. The GAIC has already had some very serious financial implications for her because she has had to stall some of the financial transactions to see how the GAIC does or does not apply to her and as to whether or not she, in effect, tries to rewrite the will to take some of this into account. The family has basically agreed, because it is not a mother-and-son relationship; it is a mother and stepson, and they do not necessarily get on as well as a mother and son normally would. They would be better off in a lot of ways if the family separated and Mrs Galli owned properties outright and the son owned the other properties outright so there was no ongoing relationship.

The first question at point 2.05 in my submission asks the question: does this family transfer constitute a GAIC occurrence? I know there are various exemptions and so

forth. I have read the new legislation, but to try to absorb it you need to re-read it three, four or five times before you can really start to get an understanding of it. That is a question mark that is obviously still there.

Currently the land has a variety of uses. The land wholly within the green wedge zone is purely a vineyard; in other words, just the vines growing in the area. The land which is in the special use zone has a vineyard on the southern portion of the land; the actual winery, production and cellar storage facilities, which are buried into the hill; and then there are the cellar door sales and the restaurant, which are currently in a combined building at the front. So there is a variety of uses there.

In today's climate, economic as well as general, there is a surplus of vines planted in Victoria. These particular ones are not large enough to be economically viable and so forth, so it is envisaged that at some stage those vines will disappear, only a small portion will be left purely for cosmetic reasons and most of the grapes will be imported from other sources.

At point 2.09 I make the observation that the current special use zone does not have any limitations or restrictions on subdivisions. In fact there is no minimum lot size; it could be anything, and it is quite encouraged — as part of the Warrensbrook Faire document and also a document incorporated into the planning scheme, which is the Melton local development plan, it encourages a lot of tourist activities to take place. We presume that if this land does go into the UGB, which by the way my clients are not opposed to in general terms, they will not lose the rights that they currently enjoy under the current special use zone as well as the local development plan provisions.

Obviously they could effectively divide that up into smaller or more intense development than even the UGB could envisage today. Whether or not it is fair to impose a GAIC on that particular land that is already enjoying those rights is a question, but we will not go too far into that one at this stage. I think that is probably for a further submission. The more important thing is that the Galli site is located at the most extreme edge of the investigation area as far as hydraulic services go. It is not geographically the extreme, but as far as hydraulic services go there would not be another property, other than what is in the special use zone, that is more remote from physical services, and by that I mean drainage and sewer. So effectively its development potential is realistically 10, 20, 30 or more years down the track, because the natural rate of development has to progress and bring those services closer to make it viable to do it.

The family business of wine producer is extremely difficult in many ways, including in financial terms, and as I mentioned it is more than likely going to dispose of the land that is currently in the green wedge zone. That has been contemplated over the last 18 months or two years, well before the GAIC was even announced. The possibility of a trigger of either the family transition or the need to dispose of it now is a significant concern.

I turn to the terms of reference, and I would like to properly address the two of them, which are (c) and (d). I have highlighted and bolded a couple of keywords we would like to address. The first is the likely impact on the housing and development industries.

There is future development potential for this particular site, and we believe this GAIC could frustrate that development to the point where it may not even occur. And then there are the unintended consequences, including the impact on land-holders and purchasers to be impacted. Just because we have not made mention of the other terms of references or other parts in there — we would like not be seen to be seen to be necessarily agreeing, but we will not waste this committee's time with that. I am sure there will be a lot of other submissions that will deal with that more appropriately.

From a quick reading of the draft legislation, it appears that one of the triggers for the GAIC is a building permit that exceeds \$1 million. As this site is in the tourist precinct, it is not inconceivable, in fact it is quite conceivable, that additional buildings will be required over the next 10 or 20 or 30 years to maintain the viability of the operations on the site, and there has been some discussion about a conference centre and motel-type accommodation. That, of course, would more than likely go over the \$1 million and, in effect, trigger a GAIC imposition when in fact there is no development of what the GAIC envisages, which I understand is residential development or industrial-type development. We are quite concerned that if it is left in its current form, this particular GAIC imposition could stifle development or make it not even worth contemplating for the next 10 or 20 years until services are brought up closer and where the land value justifies that sort of expenditure.

It is recognised that there are deferral provisions, and I heard some of the questions that were asked here earlier, certainly about the interest — I would have thought that the GAIC inflationary index is going to be something in the order of 2 per cent to 6 per cent by the construction index that Mr Seamer mentioned — and also if there was a trigger. The simple answer is: yes, there are deferral provisions on it. However, those deferral provisions attract a totally different interest rate. There was mention of some sort of bank interest plus some percentage, but I would suggest that the inflationary-type rates of 2 per cent to 6 per cent will probably be more like 6 per cent to 10 per cent if it is a deferral interest-type scenario. In effect, using the figure of \$95 000, in 20 or 30 years time the difference between the inflated GAIC levy and the deferred GAIC levy could be 10, 20 or 30 times higher, which we believe is totally unfair and unjust. That would be a great disincentive for future potential investment within the state.

Our interpretation, when reading the draft legislation, is that it potentially becomes a dutiable transaction, even transferring this 50 per cent ownership from the son to the stepmother, because in some of the examples that are quoted in the legislation it clearly states that if there is a change of ownership of 20 per cent or 50 per cent, the GAIC start applying for the first 50 per cent, and then the remaining 50 per cent, for argument's sake, would apply when the other 50 per cent was transferred. We do not believe that the current legislation wording addresses this properly. As we have mentioned in point 2.11 of our submission, considering that Mrs Galli is 69 years old, there is a real possibility that she will wish to dispose of the surplus and unviable land in the near to medium term, and that will have to occur after the family transfer from Mr Galli, Jr. Obviously, the development is unlikely to take place in Mrs Galli's lifetime, therefore the next question is: what happens when she eventually passes on and her will needs to be considered?

At point 3.03.06 of our submission I have made mention of the fact that they have been looking to dispose of some of this green wedge land to the south for the last 18 months or two years. They have sworn valuations that the current property value is in the order of \$40 000 to \$50 000 per hectare. That is half the GAIC levy.

**Mr NARDELLA** — Pre-UGB.

**Mr KRUMINS**— Correct, but if the UGB cannot incorporate a price increase because it cannot be developed for 30 years, who is going to pay triple the price? It is this 30-year time frame, potentially — 10, 20 or 30 years. Nobody could justifiably say that the price increase will take place just because the magical wand of the UGB takes place if there are no services and no development potential of that land for that period of time. If you can give me a guarantee that the price will increase by \$95 000 by virtue of the magic wand of a UGB, I will happily accept that statement. With the current situation, where the land is worth \$40 000 to \$50 000 a hectare the land value has got to double or it is effectively being given away for free. If it does not double, you have got to pay someone to take it off your hands. Surely that is not what is intended by a GAIC. The land has to triple its current value to get back to the status quo. I will raise some of these other points in the next couple of points. It is this development potential that I think is being misinterpreted — thinking that there is an automatic \$95 000 upside as soon as the UGB shift and the GAIC applies.

Similarly, there has already been preliminary work undertaken to create a separate title for the restaurant in order that cash flow needs can be met. The restaurant is currently leased out and not operated by the Galli family and they would like to be able to separately finance that. They can do it under the current system but they have not done it because of the potential fear of the GAIC being imposed on the whole of the land and therefore wiping out any real value in it. They could go backwards: instead of being able to raise finance they may have to raise finance to pay the GAIC instead.

The unintended consequences, including the impact on all landowners and purchasers to be impacted are referred to in point (d) of your terms of reference. As mentioned in point 3.03 of our submission, it is contended that the draft legislation, if implemented as we read it, means there is a real possibility that it could curtail future development of this property for some decades in order that the GAIC provisions are not intentionally the reason for considering deferral of further investment.

As mentioned at point 3.03.06 of the submission, the current values are so low by comparison with the GAIC — approximately half — that no amount of upside in value as a result of being brought into the UGB could reasonably be expected in the short to medium term due to the lack of development potential restricting development until the progressive infrastructure on hydraulic services can justify the possibility of a development of an urban nature that would justify the absorbing of the GAIC.

Heading towards a summary, you state at the beginning that it does not attempt to address the fairness, quantum or intended uses of the GAIC. This submission is very concerned about the implementation of the GAIC. We note that the minister's press release of last Friday stated that:

Under the draft GAIC legislation released today:

it will be those who buy —

and I emphasise ‘those who buy’ —  
and —

more importantly —

develop land brought into the urban growth boundary and zoned for urban development who will attract the contribution, not the landowner choosing to sell their property ...

**Mr SMITH** — Backflip.

**Mr KRUMINS** — It continues:

The purchaser of that land will have an option to defer payment until the land is on-sold, subdivided or developed.

That sort of thing relates back to indexation and/or cost of interest of the deferment.

The press release quotes Mr Madden as saying:

Under the draft legislation being released today, the GAIC will apply to those who profit from subdividing and developing land brought into the urban growth boundary ...

It is our contention that that will not be the case.

**Mr SMITH** — Windfall gain.

**The CHAIR** — You are disrupting the witness.

**Mr SMITH** — Sorry.

**Mr KRUMINS** — At first we were pleased to read the press release, but of course the devil is always in the detail. The minister’s comments would be welcome and valid if this property was capable of being developed in a shorter time and if a developer was to be the next purchaser who could develop this property within a reasonable time frame. The reality is, however, that because it is so remote from hydraulic services the likely time frame for bringing in these services to allow development to take place means that it could be two, three or more subsequent owners before a developer becomes the owner of this property. To impose this GAIC at any time prior to a developer actually developing this property is unjust. It is a denial of natural justice and it will potentially spell financial ruin to a long-term family enterprise that struggles to survive let alone grow and provide employment growth in this recognised tourist precinct. It is our view that if a GAIC is to be imposed, it should be relative to the timing of actual development and not some long-term, potential development.

We thank this committee for its indulgence in listening to the submission and hope that you will take it into account in your deliberations.

**The CHAIR** — Thank you.

**Mr NARDELLA** — Fred! How are you?

**Mr KRUMINS** — Very well, thank you.

**Mr NARDELLA** — There are four parcels here. There are two in a special use zone 1 and two parcels that are in the green wedge. Will the special-use zone parcels be converted to being able to be developed in residential blocks?

**Mr KRUMINS** — Firstly, I am not privy to where the urban growth boundary is likely to go. Secondly, I am not privy — —

**Mr NARDELLA** — But if the boundary is not in Keilor Road — —

**Mr KRUMINS** — Yes, but I am also not privy to whether the special use zone will be retained or whether it will go into the urban growth zone. The other thing is I am not sure whether as part of the legislation, immediately or following that, this particular document is removed as an

incorporated document from the planning scheme, because there has been no mention of that. The answer to your question I think would be best directed to someone at DPCD rather than myself.

**Mr NARDELLA** — That is fine.

**Mr KRUMINS** — The constraints plan has a fair percentage of the special use zone land shown as not developable due to the existence of the quarry on the north side, which is now converted to a landfill.

**Mr NARDELLA** — So the GAIC would not be a problem?

**Mr KRUMINS** — It may or may not be. What our submission to — —

**Mr NARDELLA** — If it is not developable, it cannot be.

**Mr KRUMINS** — No, that is not necessarily true either. Our submission — —

**Mr NARDELLA** — No, that is true. That is all right.

**Mr KRUMINS** — I beg to differ because of the fact that the investigation area identifies land that needs either further work or potentially cannot be developed until other criteria take place. It could be that the type of landfill that is means that when those operations have ceased there may be some development potential of that land or that boundary could shift. I have spent numerous hours with DPCD and GAA officers confirming that fact.

**Mr NARDELLA** — How many hectares are the four parcels? What is the ownership? You have not put that in any of your submissions.

**Mr KRUMINS** — No, I must admit I have not. I thought of that driving in, and I have not got it. Unfortunately Mrs Galli is not here. She was not sure whether she would make it or not. I think the two southern parcels — the one that is south there — —

No, I would prefer not to quote it.

**Mr NARDELLA** — Can you get that to the committee?

**Mr KRUMINS** — I can get that information back to you.

**Mr NARDELLA** — Can you also get to the committee how many hectares are in the special use zone 1 currently, and what the other two are outside of the special use zone 1?

**Mr KRUMINS** — Yes, I can certainly get you all those areas of those titles.

**Mr NARDELLA** — What is the current value of the land as it has been developed?

**Mr KRUMINS** — The land south of the main complex is the land which is first being disposed of. There are two sworn valuations, one of about \$41 000 and the other one is about \$49 000, which is why I have used the range of \$40 000 to \$50 000.

**Mr NARDELLA** — And that was pre the UGB going out, yes?

**Mr KRUMINS** — They were, I think, in August and September of last year.

**Mr NARDELLA** — Yes. Okay. And now on to the east?

**Mr KRUMINS** — The other one in the east has not been valued because that has not been contemplated for disposal of yet, so that has not been valued.

**Mr NARDELLA** — The two in the special use zone, what are their valuations?

**Mr KRUMINS** — I do not have that information.

**Mr NARDELLA** — Can you get that to us?

**Mr KRUMINS** — I do not believe there has necessarily been a valuation done on those, or if there is I am not sure whether they apply — —

**Mr NARDELLA** — Can you get the council rates? The council rates would have the valuations, would they not?

**Mr KRUMINS** — We can certainly supply you with council rate valuations, yes.

**Mr NARDELLA** — That would be great. If you can supply that to Sean Coley, that would be terrific, and we will have a squiz at that.

**The CHAIR** — Are there any other questions from anyone?

**Mr SMITH** — I must say I was disappointed Don did not extol the virtues of this wonderful tax that the government has put on people and the rate value that Mr Krumins and the Galli family were going to get the benefit of windfall gain out of.

**Mr NARDELLA** — Mate, I am actually trying to elicit some real information so we can actually have a look at what in actual fact it is, instead of saying political debate.

**The CHAIR** — Thank you very much. In due course you will get a copy of the transcript to proofread.

**Mr KRUMINS** — Thank you.

**The CHAIR** — Committee members will have time to debate all of that and argue in Parliament in the next sitting weeks.

**Mr SMITH** — I would just like the Melbourne people to know how much of a supporter Don is of this.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witnesses

##### Presenting

*Mr David Trenerry* (sworn), and

*Ms Elizabeth Trenerry* (affirmed).

**The CHAIR** — The Outer Suburban/Interface Services and Development Committee welcomes David and Elizabeth Trenerry to this public hearing. Good morning! All evidence taken in this hearing is protected by parliamentary privilege as provided under the Constitution Act 1975 and is further subject to the Parliamentary Committees Act 2003 and the Defamation Act 2005 and, where applicable, to the provisions of reciprocal legislation in other Australian states and territories. Any comments you make outside the hearing may not be afforded such privilege. That means that you cannot be sued for whatever you say here. We may decide to use some quotes from your presentation to us this morning.

**Mr TRENERRY** — That is encouraging.

**The CHAIR** — That is the gist of it. You have 20 minutes to make your presentation, and then we will have 10 minutes for dialogue with the committee.

**Mr TRENERRY** — Thanks very much.

**The CHAIR** — I will stop the committee members having dialogue amongst themselves.

**Mr TRENERRY** — I am David Trenerry, and this is my wife, Elizabeth. I think you have a copy of our submission in front of you, and you also have a copy of our presentation.

**The CHAIR** — Can I have your mailing address?

**Ms TRENERRY** — It is 1700 Merriang Road, Whittlesea 3757.

**The CHAIR** — Who is presenting first?

**Mr TRENERRY** — I will probably do most of the talking. It is not a reflection of what happens at home!

**Mr SMITH** — You might be sorry; that is going to be in the transcript!

**Mr NARDELLA** — On the public record forevermore!

#### **Overheads shown.**

**Mr TRENERRY** — You have our address. We live in the city of Whittlesea. We wanted to present today because we have direct impacts and indirect impacts from the changes that are proposed. You have our submission and you have a hard copy of our presentation. In the interests of time I will attempt to be brief. The issues as we see them that we want to talk to today relate to the urban growth boundary extension, the intermodal rail freight terminal at Beveridge, the OMR/E6 alignment and the growth areas infrastructure contribution tax — the intermodal rail freight terminal only insofar as it impacts in the north. Indeed our presentation is confined to the impacts in the northern part of the city, and the tax in particular as it impacts on landowners and particularly the 80 per cent or so of small land-holders or what we would call lifestyle property owners.

Turning to the UGB, we think that our MHR, Kelvin Thomson, almost said it all on the weekend. He said it was like a fat man loosening his belt without necessarily addressing the issues which have led to the need to loosen the belt. We refer to two *Age* articles there, specifically because they refer to expert opinion provided by certainly a minimum of 10 but up to 12 experts in the field of urban planning which indicates that extending the boundary will mean the cost of development will be approximately double what it would be were it to be contained within the existing boundary. That is referred to in the *Residential Intensification Tramway Corridors* report commissioned by the Department of Transport on 13 July 2009, a prominent

member of which was Professor Adams, who I think was the Prime Minister's environmentalist of the year in 2008.

I will skip further commentary in relation to the experts and move to our next overheard, which is the intermodal rail freight terminal issue at Beveridge — or Kalkallo/Beveridge, which is in reality at Beveridge. Our view is that that the decision to locate the intermodal rail freight terminal where it is has been a key driver of the alignment of the OMR/E6 in the north of Melbourne. We are particularly concerned that when the Growth Areas Authority produced its report titled *Delivering Melbourne's Newest Sustainable Communities* — or wiping out the existing ones, as we would say — it specifically did not call for any comment on the intermodal rail freight terminal itself. It makes references by inference on about four pages in the report in one-liners or one-sentence descriptions; it gives no description of the terminal itself. It does, however, say on page 108 that the OMR/E6 should not abut residential locations. However, the link road from Donovans Lane at Bald Hill to the freight terminal passes directly to the east of Beveridge township and to the west of the housing on the hills overlooking the terminal. If they were the terms of reference, it fails to meet them.

On page 108 it also says that interchanges would be developed to complement existing proposed arterial road networks. No arterial road was planned for Donovans Lane that I am aware of, but that is where the interchange has been located. We also find it strange that up until July of this year the intermodal rail freight terminal for the north was to be located at Somerton, then suddenly it was moved to Beveridge. In particular, by virtue of there being no discussion within that report, no alternative locations for the intermodal terminal were cited; no rationale was provided for where it is intended to be sited. However, there are alternatives available. Somerton is one that I have referred to, and there are others immediately south or north of Donnybrook Road near station land; behind the quarry and to the west not considered. It is poor land and of no particular agricultural value to speak of, whereas the land in the north where the terminal is proposed is viable for agricultural land use and for alternative land uses.

We are somewhat bemused by the decision to locate the terminal where it is proposed. We say that the proposed site at Beveridge and the associated interchange fail to appropriately appreciate that the proposed site is environmentally sensitive, historically and socially significant, destroys existing successful land use, substantially impacts Beveridge township and residents on the eastern hills and has an adverse impact on a gateway to Melbourne. It also has, in our judgement, a tourism impact, and I will come back to expand on these points.

One possible explanation for the siting of the terminal, in our view, is the fact that the property, Camoola, which is situated to the north of Beveridge Lane and is some 2500 acres of the 3000 acres hatched out for the terminal, is owned by a major land developer, and we wonder whether that is coincidental. It is also of interest to us that on 28 November last year a large parcel of some 500 acres to the south of Beveridge Lane, which would naturally adjoin the 2500 acres and represent all but 500 of the 3000 acres that are required for the terminal, was purchased, just four days before 2 December, which was the date at which the growth areas infrastructure contribution tax became payable. We make no further comment about that. We give no

information about the proprietors, the vendors, the acquirers or the prices, but we say clearly that the developers are known owners of the land and it seems more than coincidental to us that the change in siting of the terminal occurred when it did. We leave our point at that point.

If we go to the OMR/E6 issues as they impact the northern area, we say that they can be summarised as being of environmental, cultural and community impact. Importantly, we support the views of the City of Whittlesea and MP Danielle Green, who is a member of your committee, that the E6 should be an arterial road from Thomastown to Bridge Inn Road. I know that some of these roads will not be familiar to people who are not from the north of Melbourne.

**The CHAIR** — We were there two weeks ago.

**Mr TRENERRY** — All right, so maybe you are more familiar with them than I am proposing.

The E6 should run from Thomastown to Bridge Inn Road with appropriate upgrades to Plenty Road and Epping Road, and an upgrade to Donnybrook Road with connections to a widening of the Craigieburn bypass, which fits well with the alternative intermodal rail freight terminal site that we have proposed just a few minutes ago in our submission.

I will turn now to the environmental impacts. In the interests of time I will not go through all the detail on this, but suffice to say that the impact proposed by establishing a freeway in the north has a substantial impact on red gums which are already adversely affected by low water tables, high salinity and by developments taking place immediately to the north of Epping.

There are something like 924 hectares of plains and grassy woodlands affected and 11 endangered or protected animal species impacted. I could name them, but in the interests of time, unless you want me to, I will not. Three of those species are under the commonwealth Environment Protection and Biodiversity Conservation Act 1999 and eight are listed under the state government's Flora and Fauna Guarantee Act 1988. We simply say that they are listed under those acts because they are significant, not because they are not significant, not because you can develop offsets somewhere else in the state because they are uniquely sited in that area. So we say that is of significance and importance.

The area designated for development is the world's third largest basalt plain. It is enhanced by the Merri Creek; the Beveridge swamp is located within the area occupied by the property Camoola, which is designated for the rail freight terminal, and has flora, fauna and endangered species which are said to be of national significance. The GAA says the area is flood-prone. We have seen it as an inland sea. We would say it is not flood-prone, we would say it is a flood plain, and yet this is where the GAA proposes industrial development along with transport Victoria. It is far more suited to agricultural than industrial or urban land use in our view.

It is only about five years since we had Melbourne 2030 declared by the Bracks government, which provided green lungs for the city. Essentially the geography of the area and the green wedge separating dense urban development from rural play a part in precipitating weather patterns around Melbourne. Development of a polluting

environment in this fragile area without a climate effects study is wrong, and we say a climate effects study should be conducted.

Global warming will produce increases in bushfire activity — “the royal commission 2009”, need I say more. On 7 February this year, until an unfortunate wind shift took the direction of the Kilmore East fire into the Kinglake ranges, it was headed directly for the township of Beveridge and straight through the corridor where the developments cited in the GAA’s report are proposed to take place. This is not unique. We have had fires go through that area before. So we say the combined impact of weather and bushfire threat are practical considerations which we have not seen recognised in the GAA’s report.

I will turn to the social and cultural impact. All of the studies that are referred to in the report are desktop studies; none of the studies has involved field studies. This holds true for the impacts on our indigenous people and on their sites of indigenous significance. If you read the report, it again says desktop studies have been conducted. The reality is it passes past 57 sites of Aboriginal significance, and whilst it misses a number of them, there are 14 which are directly impacted. Let me say, the Whittlesea reconciliation chair, Reg Blow, has said there is a real risk of a rift with the Aboriginal community as a consequence of the lack of consultation which has taken place.

The assurances which have been given by the GAA in relation to all of these activities — all of these desktop studies which have been undertaken — is, ‘Don’t worry, we will set the land aside; we will reserve it for future development and we will do all these studies afterwards’. In our view that is putting the cart before the horse. If you do not do the studies before you reserve the land, you make a fait accompli that which should be properly examined before it is ever considered for development.

Historically this area is very significant. You may have seen Bald Hill if you visited the area a week or so ago, or Mount Odometer, as it was named by Hume and Hovell, is of great significance from a historical perspective. Hovell, on arriving at the top of Bald Hill, made the observation on 14 December 1824, ‘Nothing could surpass the beauty of this view’. This is recorded history and appears in *Journey of Discovery to Port Phillip, New South Wales*. I think all the landowners in the area, if they stood on the top of this hill, and probably you if you had the opportunity to do so, would make the same observation as Hovell. Is it appropriate therefore to redevelop this area as an intermodal rail freight terminal and populate to the south with housing? Its importance should be recognised and celebrated, not desecrated.

On the social and cultural impact, Camoola, the property I have referred to on two or three occasions, where the intermodal rail freight terminal is to be sited, is listed A by the City of Whittlesea. That is both with respect to the property and with respect to the residence, which is of significance. It is where Carbine stood, where the trainer Dan O’Brien managed that horse back in the 19th century. The IRFT will totally compromise the site. As I have said, it contains also the Beveridge swamp, and I will not refer to that again.

The last point I want to make under social and cultural impact is that, unlike alternative sites at Somerton and the Donnybrook, the alternatives I have referred to that are not recognised in the report with regard to the IRFT and E6. The area south of Bald Hill, to the north of Beveridge, east and west of the railway, is viable farming land with diverse rural activity from cheese making — and by the way, gold-medal, award-winning cheese making — to the growing of olives which, by the way, are not just to satisfy local demand but are exported to Spain, which is remarkable. It has a winery, which is an award-winning winery; a horse training establishment; and a landscape which has attracted painters of the quality of some of our famous early landscape artists. The alternative sites for the IRFT, on the other hand, are in contrast areas which are barren, industrial or more suited to an industrial enterprise. Very little if any agricultural activity takes place on them, and almost no alternative land-use activity takes place on them.

If you take together those elements that I have mentioned, and you then reflect on the fact that we have the Growling Frog golf course on Donnybrook Road, the Ned Kelly house at Beveridge, where he spent his early life, and you link all of these elements together, you have the opportunity for tourism to rival the Yarra Valley. But what is our view? Our view is that you will not have this if Hume and Hovell's vision becomes a dump for containers and freight, creating Melbourne's newest slum — and that is the best we can put it.

What is our interest? Our property will directly overlook it. I declare my vested interest: we will directly overlook a terminal which ultimately will be something like 3000 acres operating 24 hours a day, seven days a week, with lighting and noise, and so the impairment to our lifestyle and enjoyment of it will be dramatic. That is a declared self-interest.

Turning to the next part of our report, which concerns the growth areas infrastructure contribution tax, the first point I would like to make is that unfortunately, given the government's decision on Friday to change the approach although not the outcome, our submission contains an analysis which is based on the previous approach. I have not had time to change this submission to adequately reflect the impact in the way that I would want to do. What I would like to do is to make some critical points. If you would then like to ask any questions of me, I am more than happy to go into details sitting behind the points.

The GAIC remains payable on the first sale or subdivision of land after it is included in the urban growth boundary. The only conclusion we can draw is that that is still based on the much-criticised and unproven theory that all land enjoys a substantial value increase immediately upon inclusion in the UGB. I note the previous witness is making the same observation as us, that we say that logic is flawed. It disregards development time lines, and it disregards the different types of properties which are impacted.

In other words, we have small acreage lifestyle properties and agricultural land. The per-unit or hectare or per-acre value of those alternative properties is substantially different. The uplift therefore — whatever uplift it is that occurs — will be dramatically different according to the type of property that is impacted. Lifestyle properties typically have values of \$100 000 an hectare; agricultural land, \$15 000 to

\$30 000 a hectare. The uplift enjoyed by lifestyle property might be one times; it is certainly not 10 times. Agricultural land might be 10 times, but what are we faced with? A flat tax. It does not differentiate between value uplift or value; it is a flat tax. We say that is flawed.

The tax is payable on the first property transaction after inclusion in the UGB, regardless of development time lines. I have made the point, but I will make it again because I think it is fundamentally important: the price a landowner receives when selling the land is going to be dramatically impacted. If I am the purchaser and the government, as it is going to do, is going to register on my title the fact that there is a tax of \$95 000 a hectare — the land brought in after 2 December 2008 — as the purchaser, I rub my hands together, as that gives me a good negotiating starting point. As the vendor, I sit there thinking, ‘Hell, what am I going to get offered?’. This bloke is not going to reflect the value of the GAIC in an increase in value of my property, because if he does that he has then got to go and pay it to the government as well. I am sure he is not going to pay it twice, however benevolent he might be.

Lending institutions are interesting in this context too, because they are not going to take into account the value of the GAIC. Even though it is registered on my title, when I go to seek to borrow against the title, in fact I will probably find, or many people will find, that they are already in excess of the lending institution’s covenant on the property. That essentially puts their lifestyles on hold, freezes their land assets and places them in a very difficult position. All landowners within the new and existing growth areas, as I have said, will have the GAIC registered on their title. Perhaps I will stop there or we will not have time for questions. I could go on, but I will not. My wife is reminding me that it is not my time to be the speaker.

**The CHAIR** — Do you want to contribute?

**Ms TRENNERY** — No. It was a shared report.

**Ms GREEN** — I would just say thank you, David and Elizabeth, for the comprehensive nature of your submission and your declared self-interest but also looking more broadly across the community. I recognise the passion that you hold for the area, and I think that is very laudable. In terms of your submission, I note in 5.3, the statement there —

**Mr TRENNERY** — Is this in relation to the tax?

**Ms GREEN** — Yes, the statement there that in the event that a will directs that a property should be sold, the GAIC would apply, therefore impacting on inheritance and also the event of marriage breakdown. This was something that I sought advice on very early on, when the government first made the announcement and following public meetings in the area. I draw your attention to information that is on the website and also that was tabled to the committee today, that expressly says that that will not occur.

**Mr TRENNERY** — What I would ask in that context is: if, for example, there is a marriage break-up and if as a consequence of the marriage break-up it is directed that the land or the property in question be sold — or in the event of death, the same circumstances — and the land has to be sold, the point I am making holds true. The purchaser will deduct or certainly take into consideration the value of the growth areas infrastructure contribution that he or she is required to pay in determining the value of the land. It will be triggered if they are directed to sell.

**Ms GREEN** — But the land-holder themselves will not be called upon to pay.

**Mr TRENERRY** — They will be directly affected, because their land will be devalued by the extent to which the purchaser takes into account the impact of the tax on the price they are prepared to pay for the land. That is a direct impact on the person impacted by either the death in the family or the marital breakdown. The fact that it was levied on the vendor previously and is now levied on the purchaser, in our view, is neither here nor there. It is ‘comme ci, comme ça’.

**Ms HARTLAND** — I have had the opportunity to go out to Wollert and speak to people there, and my colleague Greg Barber has been out to have a look. I just wanted to thank you for the submission; I too think it is an invaluable piece of work. What do you see as the reason the intermodal has ended up at that site? As I understood it, it was slated for Somerton. Do you have any understanding of the swap?

**Mr TRENERRY** — It has been referred to as being at Somerton by professional bodies, by government bodies, right up until July this year. The only conclusion we can draw — and it is by inference, and I am not making accusations and I not naming parties — is that to the extent to which one of Victoria’s largest developers owns the land, one has to query whether that has not had some influence. Whether the government is going to acquire that land and operate the facility itself, and whether there is going to be a private-public partnership or not, I do not know. If there is, potentially there would of course be benefit if you were a landowner in that area.

I guess if you are a substantial landowner and a substantial developer, the prospect of that has to be possible. Whether it is likely, I do not know, but I note that even in December last year, not necessarily the same developer, but certainly developers, have acquired more land in the same area. Perhaps it is to establish the price for public acquisition. I do not know. Or perhaps it is because, as I said, a public-private partnership might be possible.

In any event, it is the only conclusion local residents are drawing. It is not confined to me and Elizabeth. It is popular scuttlebutt that there must have been some influence on the decision to suddenly re-site, and also, not to consult the community. There has been absolutely no consultation whatsoever with the community to relocate this facility; no concern for impact on amenity, no concern for the impact on land values. I can tell you, putting a 3000 acre dump in that area will impact, significantly, the Beveridge township, which is 1000 people for a start, and certainly all the people on Merriang Road who occupy the residences on the hills.

**Ms HARTLAND** — How did you become aware of the project if there was no planning overlay, or whatever?

**Mr TRENERRY** — I was intrigued when I read the growth areas report; I found these one-sentence references to intermodal rail freight terminal Beveridge, but no description. I did receive, at one point in time, an information brochure from Danielle, and I cannot remember when it was. I think it was after the state government budget was announced. I did not read it initially, but I read it subsequently, and it is no deference to you, Danielle.

**Ms GREEN** — None taken.

**Mr TRENERRY** — We get a lot of literature in the letterbox. It referred to this thing being built by 1000 people in the construction phase and populated by 10 000 in the operational phase. I thought to myself, ‘10 000 people are going to be working on 3000 acres right in front of my property’. I thought, ‘I have got a vested interest here, but it is not one that is positive; nor is it positive for the residents of Beveridge’. I currently have a petition in the township of Beveridge, which I intend to ask a member of Parliament to table in Parliament, which will show the level of local community concern.

**Mr NARDELLA** — Your local member will do that for you.

**Mr GUY** — Thanks very much for the submission; it is exceptionally comprehensive. You are impacted by three things here: obviously the intermodal rail freight terminal, the GAIC and the E6.

**Mr TRENERRY** — No, I want to make it clear at the beginning, Matthew. Elizabeth and I are not impacted by the GAIC. We have an interest in the GAIC.

**Mr GUY** — Correction — I think I should use the words, ‘had an interest in’ it, in that sense.

**Mr TRENERRY** — An interest, yes.

**Mr GUY** — I wonder if you could outline the level of consultation with yourselves on those two proposals that do directly impact upon you? How did you find out about them? When were you contacted by government? What was that consultation and how has it ended up?

**Mr TRENERRY** — Our situation is probably no different to many others but perhaps a little different in that Elizabeth and I were away on holiday when the Growth Areas Authority report came out and submissions were requested. We came back and we had something like one week in which to respond to the report when we found it had been published. It is quite a comprehensive report and it takes quite a bit of reading to understand the implications of it and also research to extend it to understand it. We were not given any extension of time in which to make our submission. However, we managed to make a submission, and having made it, we then started to do website research to establish what the implications of it were and how broad it was, and what other projects it might have a relationship to.

In fairness, though, and I cannot remember the dates, the Growth Areas Authority has conducted communication sessions at the city of Whittlesea offices in, I think, August. I cannot be absolutely sure of that date.

**Ms GREEN** — And September.

**Mr TRENERRY** — And September. That has happened and those information sessions have been provided. I would say again, though, that very little was able to be said about the intermodal rail freight terminal. Nobody has been able to tell us anything about that. Anything we know about that we have only gleaned by web-based research. We have had no communication to explain it to us, to indicate what its impact is, or anything else, apart from, as I said, reading a paragraph or two in Danielle’s brochure.

**Ms TRENERRY** — In fact, I think the mayor of the City of Whittlesea almost denied its existence on the map, didn’t she?

**Mr TRENERRY** — One of the past mayors of the City of Whittlesea at a public meeting professed he knew nothing about it, which I found at the time somewhat difficult to comprehend.

**Mr SMITH** — You are covered by parliamentary privilege, just understand that, but do not talk about it outside.

**Mr TRENERRY** — By the way, that person remains a friend of ours. We like the person concerned, but I found it very difficult to comprehend that he would not understand it was going to be built.

**Ms TRENERRY** — It was at a public meeting.

**Mr HODGETT** — What was the name of the developer that bought the land at the south side of Beveridge nine days before the GAIC?

**Mr TRENERRY** — I am not prepared to disclose that information, David. I was going to declare it in our submission, but I chose not to do that, and I chose not to do it ultimately because the information was not published publicly. However, through sources I was able to obtain detailed information but, if you like, from conscience, I do not believe, in front of this committee, I can table that information. I do not think it is fair to either the vendors or the acquirers.

**Mr SMITH** — Was it Linfox?

**Mr TRENERRY** — What was it? I could not possibly comment, and the answer is no.

**Mr SMITH** — Okay, no comment.

**Mr NARDELLA** — What direct consultation did VicRoads have with you regarding the E6?

**Mr TRENERRY** — None.

**The CHAIR** — In due course you will get a copy of the transcript to proofread. Thank you very much for your comprehensive presentation.

**Mr TRENERRY** — Thank you very much for giving us the time to make it.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar

Ms D. Green

Mr M. Guy

Ms C. Hartland

Mr D. Hodgett

Mr D. Nardella

Mr G. Seitz

Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witness

Housing Industry Association

*Ms Fiona Nield, Director, Government Programs, (affirmed).*

**The CHAIR** — Ms Nield, could we have your mailing address for the transcript?

**Ms NIELD** — The mailing address is the Housing Industry Association, Level 3, 70 Jolimont Street, Jolimont 3002.

**The CHAIR** — Thank you and welcome. The evidence you will give has the protection of parliamentary privilege under the Parliamentary Committees Act, the Constitution Act and the Defamation Act, so you are free to say anything you like in here, but you cannot repeat it outside where you do not have the same privileges. We have allowed 20 minutes for your presentation and that allows for about 5 to 10 minutes for the committee to have a dialogue with you.

**Ms NIELD** — Thank you. I am here today representing the Housing Industry Association. HIA is Australia's peak residential building industry association representing some 42 000 members nationally, including around 13 000 members in Victoria. HIA members comprise a diversity of residential builders and developers, including all top 100 builders all building industry manufacturers and suppliers, contractors and consultants to the industry. HIA exists to service the businesses it represents, lobby for the best possible business environment for the building industry and to encourage a responsible and quality-driven, affordable residential building and development industry.

This presentation today highlights HIA's main comments in response to the committee's terms of reference. Comments are made, firstly, on the urban growth boundary expansion and then the growth areas infrastructure charge. Firstly, to the urban growth boundary, HIA supports the state government's decision to change the urban growth boundary but contends that over time more land will be required to cater for a growing population. The state government should ensure certainty of land available for housing development in the short, medium and long term. It should also plan for and provide suitable infrastructure to support this. In light of the above, HIA believes that the government's land supply strategy should be long term and should facilitate opportunities for an appropriate mix of allotments in good locations at an affordable cost.

The Victorian state government's policy is to maintain 15 years supply and the move to expand the boundary is an attempt to achieve this. HIA supports the government in its aims, but HIA has assessed the adequacy of land to be brought within the UGB, investigating whether it will accommodate population growth and meet housing demand over time.

Based around a number of key assumptions, HIA's land forecasts reveal that the government's proposed UGB expansion will not provide enough residential land to meet the demands of Melbourne's growing population in the coming 20 years. The Victorian government's population figures are projecting high intensity growth, and HIA's own figures support this and suggest that Melbourne will step over the 5 million population mark at June 2026. Government figures predict that Melbourne will require 600 000 new dwellings in the next 20 years, consisting of 316 000 in established areas and 284 000 in growth areas. HIA calculates that Melbourne will require some 647 000 new dwellings by 2028, with 332 000 in existing areas, and the balance of 315 000 in the growth areas.

In terms of land to be made available to cater for the government's projected growth, according to papers released by the government with the June 2009 announcement of the proposed boundary, an additional area of 41 663 hectares will be brought into the UGB, but 15 570 hectares are significantly constrained due to natural reasons —

salinity and flooding and so forth — and therefore possibly not developable. Of the 26 093 hectares considered suitable for both residential employment and development, half is to be used for public purposes — shopping centres, schools, infrastructure development and open space — leaving approximately 13 046 hectares for housing and employment development over the next 20 years.

HIA believes this allocation is low with potentially between 15-and-a-half and up to 16 000 hectares of land being required to cater for the government's anticipated residential growth alone. This could translate into a shortage of anything up to 50 000 dwellings, which would be a significant concern over 20 years. The shortfall leaves nowhere for the government to move if there is stronger than expected population growth or if there are any unforeseen land constraints that could prevent urban development from occurring.

The concern HIA has with any lack of land available is the impact it will have on the price of land. Figures from the March quarter of 2009 show that growth in median land prices accelerated, and at \$170 000, the price was the highest on record.

HIA would like to see a stabilisation of land prices through 2009, but recent reports of a substantial shrinking in the pipeline of available land for market renders this a questionable hope. Continued regular review of land supplies, along with future changes to the UGB, would hopefully alleviate this by shifting expectations and closing the gap between the demand and supply of residential land.

Finally, the consequence of rental accommodation shortages in existing areas could mean an increase in the demand for land in the growth areas, and it is unclear whether the government in its estimations has taken this into account.

Turning to the second area of the committee's terms of reference, the growth areas infrastructure contribution, which I will refer to as GAIC, HIA has not supported the GAIC and it has taken issue with the proposed implementation of the levy. HIA also does not support the government's linking of the GAIC to the expansion of the UGB as outlined in a government press release in June 2009.

HIA's national policy supports community and social infrastructure being borne by the whole community and funded from a general rate revenue and borrowings as appropriate. HIA's national policy on government fees and charges on development provides the view that specific infrastructure which provides essential access and service provision, without which the development could not proceed, are considered to be the core requirements for housing development and should be legitimately provided by developers and home builders as part of the cost of development, but on the other hand, broader community and social infrastructure, such as that which would be provided by the GAIC, should be borne by the whole community, and by that we mean funded from the general rate revenue and borrowings as appropriate. Only as a last resort should governments have the option to impose an up-front levy for the provision of such facilities. In the interests of housing affordability and fairness, HIA believes that where levies are imposed, they should always adhere to the principles of need and accountability, while being transparent, justified and subject to scrutiny.

HIA has noted that the government made an announcement on Friday, 16 October, regarding some changes to the payment of the growth areas infrastructure charge. HIA will need to carefully assess the draft legislation provided in order to make a full comment on the details by the 2 November deadline. But what we can say today, and based around our submission that we made to this committee, HIA's longstanding concerns with GAIC are as follows: despite HIA asking, and a supposed public consultation process, details of the calculation or a review of the proposed amounts, being \$80 000 and \$95 000, to be charged for the GAIC, have never occurred or been provided. GAIC may take some land from the supply chain if there is an unwillingness or inability for prospective purchasers to pay the new asking price, or the inability to pay. The full force of GAIC could be passed on to consumers, so affordability may be affected.

The payment trigger for GAIC demands a large up-front payment at the very earliest stages of development. HIA has long claimed that government assurances they will accept staged payments with an unknown interest rate and additional charges are unacceptable. The collection methodology fails to take into account the variances in land ownership with a large land-holding on one title being a disadvantage to a large land-holding on multiple titles, meaning, in the latter scenario, payment can be made in smaller stages.

There are also industry concerns around the transparency and expenditure of GAIC. As a matter of principle, it is considered that funds should be collected and expended in the same growth area. Annual reporting of expenditure to the Parliament should be mandatory. Industry is also concerned that 50 per cent of the funds raised by GAIC will be paid into a growth areas development fund to be allocated to unspecified infrastructure projects. The money should be expended on infrastructure in growth areas only and not to fund the administration of the GAA.

In looking towards a way forward, a better system of charging the GAIC is needed. Land closer to the development front will always be of higher value. The real rise in land values which the GAIC is supposed to tap into will occur when the land has undergone a detailed precinct structure planning process and the owner can apply for a planning permit to develop the land. Only at this time will the owner of the land realise the uplift and be able to afford to pay the levy.

The best solution, therefore, would be to charge the levy after the gazettal of the precinct structure plan or preferably ensure that it can be paid as land is developed in stages after subdivision approval. But there are other measures required to complement this initiative. GAIC should be also charged by net developable hectare. Current agreements under section 173 of the Planning and Environment Act should be allowed to run their course. Works in lieu of the levy should be allowed to the full extent of the cost of works and there should be a prescribed list of infrastructure items that GAIC will cover.

In terms of where this could all be headed, in its submission HIA cited the example of New South Wales, where infrastructure charges were increasing and much of the money remained unspent. A review of development contributions in New South Wales set a \$20 000 per lot threshold for local government levies. Councils were given an opportunity to apply to the Minister for Planning for an exemption to this

threshold, and 22 of the 28 councils were granted this exemption. With no upper limit imposed, those exempted councils have continued to charge over \$60 000 in some new release areas. Only six councils were directed to reduce their levy to \$20 000, none of which were located in the new land release areas where the relief is needed. If Victoria is not careful, it will move down this path with excessive fees and charges on development, all of which will affect affordability.

I refer to two final points to conclude this presentation. Payment of the GAIC should not be a substitute for the government's expenditure on infrastructure or an excuse to lower expenditure. An ongoing commitment to items of infrastructure which are for the public good is required.

HIA reiterates, secondly, that it does not support the linking of the GAIC to the UGB expansion. The announcement by the Minister for Planning earlier this year that there will not be one without the other is wrongly premised. The expansion of the UGB is a separate issue. It needs to be treated as such. If the state government wants to signal its commitment to residential development as a result of population growth, it should not make it dependent on support or otherwise for the GAIC. If the UGB expansion is not processed, then Melbourne will quickly lose its relative affordability advantage over other states. The need for additional urban land arises from the increased population, a population that needs to be housed. Thank you for the opportunity to comment today.

**Ms HARTLAND** — I am interested in whether your organisation has actually done any work around the issues of how we create what housing within the boundary. Obviously high density is often unpopular with communities et cetera. I know that several years ago councils did some work on how many dwellings each council would provide. Has your organisation done any of that kind of work?

**Ms NIELD** — I think most of the work of HIA is around housing forecasts and demand for housing and that side of things. Having said that, in our original submission to the UGB we did call for the government to look very carefully at pursuing infill development and we highlighted a number of issues around creating infill developments and how that might sort of pan out. Certainly we are looking at infill areas as well and we have urged the government to consider its infill quotas and that side of things, but the main work of HIA, in the economic sense if you like, is based around the forecasting and demand. We do also look at planning policies, costings and any sort of barriers to infill development as well.

**Ms HARTLAND** — In terms of that, have you also looked at or been urging the government to look at land such as VicTrack land and industrial land — those kinds of parcels — some of which is unusable because of contamination et cetera? I know that in the city of Maribyrnong we have a huge amount of unused VicTrack land and for as long as I have lived there it has been empty. Have you looked at whether that kind of semi-government land could actually be used for infill housing as well?

**Ms NIELD** — I am not aware of any specific representations that have been made in relation to those particular sites, but certainly as a national body HIA's national land supply policy supports governments identifying surplus land within existing areas of cities in order to facilitate development or housing development to cater for growing populations.

**Mr HODGETT** — In opposing the GAIC the HIA has put forward a number of alternatives. Have you had any formal response from the minister, or what has been the level of consultation with HIA?

**Ms NIELD** — We have made a number of representations to the Growth Areas Authority and the Minister for Planning and other ministers as well, through forums that we hold with HIA. We often have ministers come to our events, and we have made representations during those times. I guess the responses to the representations that we have made have been in a conversational sense.

**Mr HODGETT** — In your submission you talked about HIA's suggestion for a prescriptive list of infrastructure that the GAIC could contribute towards. What was the reaction or response to that?

**Ms NIELD** — The industry considered it might be an opportunity to have a prescribed list of infrastructure items which the GAIC might cover. In that sense, in terms of negotiating individual growth areas, there might be a fallback list that the GAIC could cover. Certainly that is one of the suggestions that we have made to government. I have not had a chance to check whether that is part of the draft legislation that was released last week.

**Mr NARDELLA** — Why do you believe that ratepayers should be paying for the infrastructure instead of developers?

**Ms NIELD** — The national policy of HIA is that where you have specific infrastructure which provides essential access and service provision, so something that is directly related to a subdivision, that should be covered by the developer and the home builders as part of the development. What we refer to as being charged through a broader community base through rates or taxes or whatever is social or community infrastructure which the whole community has access to, so facilities which anyone can access.

**Mr NARDELLA** — Why should only ratepayers pay for that? Why should developers not pay for that?

**Ms NIELD** — We mean broadbased taxes that cover infrastructure that would be provided in existing areas, in growth areas and across the state by state governments. What we are referring to is where community and social infrastructure is implemented that everybody can access, that should be funded through a broader taxation base.

**Mr NARDELLA** — So developers should not be paying for roads, because everybody uses roads; that is the ultimate expression of that position, is it not?

**Ms NIELD** — What I was explaining is that the national position of HIA is that where we have a situation where there are local facilities which that development could not proceed without, then developers and builders can pay for that infrastructure.

**Mr NARDELLA** — You cannot rely justify it; it is just the national policy.

**Ms NIELD** — What we are arguing is that where the facility is able to be accessed by the broader community — by anyone in the community, for that matter — it should be funded through — —

**Mr NARDELLA** — Like footy grounds and tennis courts?

**Ms NIELD** — Yes, exactly, regional — —

**Mr NARDELLA** — So only the ratepayers should pay for that, not developers?

**Mr SMITH** — No, she did not say that.

**Ms NIELD** — No. What I am saying is that those types of facilities should be funded through a broader taxation or rate base or broader base measures, through government expenditure.

**Mr NARDELLA** — Yes, by the ratepayers.

**Mr SMITH** — No, by the taxpayers in general.

**Ms NIELD** — That is right; taxpayers, in expenditure.

**Mr NARDELLA** — Yes, taxpayers — everybody else should pay for it.

**Ms NIELD** — So where you have a regional road or regional facility which is for the greater good of Melbourne or the state that we consider — —

**Mr NARDELLA** — Or a kinder.

**Mr SMITH** — No, she did not say that.

**Mr NARDELLA** — So you are acting for her, Ken. That is good. Thanks, Fiona.

**Ms NIELD** — Just to finish that off, what I have endeavoured to do is provide the national position of HIA, and I hope that I have adequately provided that for the committee's understanding.

**Mr NARDELLA** — You have.

**Mr SMITH** — You have done it extremely well. Don gets a bit confused. He hates developers. They make a dollar.

**Mr GUY** — That is right.

**Mr NARDELLA** — I like developers.

**Mr GUY** — Thanks for coming in, Fiona; the committee appreciates it. This might have been asked, but I was just going to inquire about the level of consultation and feedback that you had had on some of those four points, particularly the developable hectare suggestion, the infrastructure list that the GAIC might be provided toward, the annual reporting of expenditures and the impacts on housing affordability. They were quite good suggestions. I just wondered what feedback you have had on them.

**Ms NIELD** — We have put those suggestions to the Growth Areas Authority, and we have also put them to the minister. We have had verbal feedback and responses during the times that we have been putting forward those views.

**Mr GUY** — Any positive?

**Ms NIELD** — I am just thinking back.

**Mr GUY** — Or have they just not gone anywhere at this point in time; they have just been put?

**Ms NIELD** — I think that in some respects they have not been taken into consideration. Perhaps they have been, through the government's development of this legislation. It is always very hard to know how much of what you put forward has been taken into consideration by government. We can just put forward the suggestions as best we can and hope for the best outcome.

**Mr SMITH** — You would have seen, I would have thought, from the minister's statement made last Friday and from what is in the legislation that is going to be tabled in the house whether any of your stuff has come up or whether it has been listened to.

**Ms NIELD** — My understanding is that there are two key elements of the minister's announcement in the press release. My understanding is that the payment of the GAIC will be transferred from the vendor to the purchaser and that there will be some type of system of deferred

payment available. But the detail of that has not yet been assessed, and I do not want to comment on that before I have had a chance — —

**Mr SMITH** — Was that one of your suggestions from the HIA?

**Ms NIELD** — As I mentioned here, we did talk about a system of payment later in the development process, but what we as an industry need to do is look at the detail of what is in the legislation and see if what the minister had announced is actually in line with the suggestions we had put forward. My comment earlier was that we have always opposed a system where the GAIC liability is seen by government as a loan and interest is chargeable on the outstanding debt. What we need to do is understand the mechanism by which the deferred payment will be implemented and make some comment back on that by the 2 November deadline.

**Mr SMITH** — So in the consultation time; two full weeks.

**Ms NIELD** — There are two weeks to comment.

**The CHAIR** — Thank you. In due course you will get a copy of the transcript to proofread.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witness

Gencarelli Brothers Pty Ltd

*Ms Sarina Tino, Director, (affirmed).*

**The CHAIR** — Our next witness is Sarina Tino. You were sitting in here before when I read out the rules, the legislation and all that, so you are familiar with that?

**Ms TINO** — Yes, I was, certainly. That is fine.

**The CHAIR** — What is your mailing address?

**Ms TINO** — It is 2A White Court, Mill Park.

**The CHAIR** — You are familiar with what I said: you have got about 20 minutes. We are very strict on time keeping.

**Ms TINO** — That is okay. First of all I would like to thank the committee for this opportunity to discuss further my concerns with the current levying of the contribution within the urban growth boundary. I would just like to point out that I am not actually within the urban growth boundary, but I do have property just outside it.

We have seen over the last couple of days that the planning minister has made a change to the growth areas infrastructure contribution, GAIC, with regard to the party responsible for payment of the levy from the initial land-holder to the purchaser. This still does not address the main concern I have with the levy. The onus of payment needs to be taken from the buying and selling of the land at any stage to the point at which the land is due to be developed. Only after a planning permit has been issued should this levy be applied. Making the initial purchaser responsible instead of the initial vendor is only window-dressing. In fact in my opinion it places the vendor in more of a predicament than before. The recent information sheet released by the GAIC in October 2009 claims that the liability now falls on the purchaser to pay the GAIC and therefore enables the original landowner to sell at any time without the liability. What person in their right mind would willingly accept a debt of this proportion on land that is set to be developed in 10 years time? Yes, I understand that the debt can be deferred, but you are then compounding the debt by adding interest. It is my opinion that the recent change will in fact make it harder for the landowner to sell. Why? The landowner expects to get so much from the sale; however, the purchaser will not want to pay the expected sale price, bearing in mind the additional tax they will now have to pay. It will cause undue stress and pressure being brought down on the landowner to incorporate this levy into the sale price. The end sale price is reduced, and the vendor once again pays.

The proposed government legislation states that the flat fee is to be indexed annually from July 2010. If the government was honestly applying this levy for infrastructure purposes, would it not be more beneficial that the levy be applied at the closest point of development, thus ensuring the maximum contribution is made towards the proposed development? How could receiving the current levy contribution of 95 000 a hectare be in the best interests of a contribution levy to infrastructure when in 10 years time, at the very point of development when such infrastructure is required, the contribution per hectare would actually be closer to 155 000 if indexed annually at, say, 5 per cent. For example, on a sale of 100 hectares the government would be looking to collect 9.5 million at the first point of sale instead of a possible 15.5 million when the land is set to be developed. I ask the government how they can justify this loss of income to me, the average taxpayer. This further strengthens my belief that the levy should only be applied at the issuing of the planning permit for subdivision.

As per my initial submission, I want to bring to your attention a possible unintended consequence of having land included within the growth boundary. It seems the government has not addressed or taken into account the major financial burdens many landowners could find themselves faced with, such as increases in their council rates if only one property is purchased within the UGB. Local councils rate properties according to best possible use. Once the land is incorporated within the UGB, the council will consider properties to be developable and rate them accordingly, even if the land continues to be farmed. Once one property is sold within the area it will cause a domino effect on surrounding properties. For example, if next door's property sells for X amount of dollars, the local council would assume that the same could be said for my property, thus increasing my rates dramatically.

I can understand the argument that when property values go up, so do the rates; can it be justified, however, that when my land has not been sold, is not in the process of being subdivided and is still being used as farmland, a council rate can be levied on me that is inconsistent with what services a council actually provides to my property? We have seen examples already, as stated in the Banner newspaper dated 14 October 2009, that in some instances household rates have risen from \$2500 to \$26 000 a year. In another case the *Whittlesea Leader* of 23 June 2009 told of a property owner who has had their rates jump from just over \$3000 a year to in excess of \$46 000 a year. In the same article Whittlesea council would not respond to questions regarding rate increases, with the planning and development director not saying how much rates were expected to increase.

And what of land tax? Will incorporating the property into the UGB remove the farm rating so that the land will now also be subject to this additional tax? So even if land-holders are not instantly affected by the gap levy, they might find themselves in a position where they cannot afford council rates and land tax bills and cannot sell their land because nobody wants to buy it. Are we going to ask these land-holders to simply pack it all in and walk off the land?

My final concern is that governments make changes regarding zoning at the time. From my own experience, my company has owned land for over 20 years and in that time, with a stroke of a pen, we have seen parts of our property go from rural farming to flood zone and to green wedge environmental, all at the whim of the government. We are now seeing the Melbourne 2030 experiment being tweaked — a plan which at the time it was launched was steadfastly believed to be able to provide enough land to cater for the increase in population while still limiting growth to the confines of the city. How is it that not more than seven years ago we had a plan for the future to take us well into the next generation and yet we are now being told it has come up short and we need to make some adjustments? I expect the government to make changes regarding zoning or developing according to how they see it benefiting the state of Victoria, and I understand that. I am not in any way voicing my opinion about progress. However, my point is: draw your lines, make your changes, but do not disadvantage the people and families who just happen to be within your sights today. Thank you for your time.

**Ms HARTLAND** — Could you expand a bit on the issue of council rates? In some of the other hearings we have had on another reference this has been raised with us by other farmers.

Can you just talk us through those two examples that you gave and explain why and how their rates changed?

**Ms TINO** — As I said, I have sort of walked in on this. I am not within the area of the growth boundary, so I have just picked up on newspaper articles and talk within the community, but from my understanding because they had actually come into the urban growth boundary and because their land was now rated at so much per hectare, the rate was increased. Their rates are based on land values and the value has increased dramatically: that is the reason why the rates have gone up.

**Ms HARTLAND** — Where land is still viable farmland, is this something that you see could actually force people to leave?

**Ms TINO** — Definitely. Say I am not selling my property but next door sells their property, I might have 100 hectares, for example, and not sell it and not have any intention of selling or even be in a position to sell it, but because next door has 600 or 700 hectares that is being developed the council would still look at my land as being potentially worth so much more money.

**Mr NARDELLA** — How many hectares does your company have outside the UGB?

**Ms TINO** — We have 50 acres.

**Mr NARDELLA** — So you have none in the UGB?

**Ms TINO** — None in there. But the property is positioned between the Whittlesea township and Mernda, so along Plenty Road; we are within probably a kilometre of the township. My fear is that eventually when this GAIC comes in it may actually be levied on my property if it goes ahead.

**Mr NARDELLA** — If your property goes into the UGB at some time in the future?

**Ms TINO** — Yes, if it does go back into the UGB; that is right.

**Mr NARDELLA** — In which case the value of your land increases.

**Ms TINO** — It goes up; that is fine. I do not have a problem with it. And if I wanted to develop it, I would not have an issue with paying the money — if I am wanting to develop it at the time.

**Mr NARDELLA** — Or you want to sell it.

**Ms TINO** — But if I want to sell it just to another land person — to another person that wants to buy my farm — I do not — —

**Mr NARDELLA** — But you do not have these problems in the sense that your land is not in the UGB.

**Ms TINO** — No, I do not, and that is what I said in the first place: my land is not in here. But it is just a concern that I have. The thing is that in 2005 property in South Morang was brought into the UGB. It was brought into the urban growth boundary.

**Mr NARDELLA** — Some of your property was?

**Ms TINO** — No. I was just explaining that property was brought into the UGB in 2005 and it was made available straight away to be developed, but it was brought into that boundary. In my position, because I am coming from the Whittlesea township, which is being developed, and I am close to Mernda, which is just up the road, there is a possibility that we could come into a growth boundary area. That is where I am coming from.

**Ms HARTLAND** — What do you farm?

**Ms TINO** — Just cows. We just have cows on there.

**Ms HARTLAND** — So it is a dairy?

**Ms TINO** — No, not even that. It is just beef. We just have a few cows on there to just sell and maintain — basically to pay the rates. That is what they are there for.

**Ms GREEN** — Sarina, you said if it goes into the UGB, you would not have a problem with paying the contribution at that developer stage later on?

**Ms TINO** — I really do not have an issue with paying a cost, because I do believe money should be paid towards infrastructure. I do not have a problem with that. But my issue is where you are asking us to pay it. For example, I might sell my land, and regardless of whatever money I get for it the government will still receive stamp duty and other taxes; it is not like it would be missing out on some of the pie.

**Ms GREEN** — So the minister's announcement of last week would be very relevant to you, that the proposal is now for the GAIC to be paid at the point of development, not at the point of sale on the vendor.

**Ms TINO** — Did he make it to the developer?

**Ms GREEN** — Yes.

**Ms TINO** — I thought that was going to the vendor.

**Ms GREEN** — No. That was the original proposal. It has now changed.

**Ms TINO** — To the purchaser — the next purchaser?

**Ms GREEN** — Yes.

**Ms TINO** — But the problem is that the next purchaser may not be a developer.

**Mr NARDELLA** — In the UGB it most probably will be.

**Ms TINO** — Possibly.

**Mr NARDELLA** — Most probably.

**Ms TINO** — Possibly, but it is still not a definite that it would be.

**Ms GREEN** — Do you have significant red gums on your property?

**Ms TINO** — I do not think so. We are sort of affected; we have the Plenty River running through at the back.

**Ms GREEN** — So you are on that side.

**Ms TINO** — Yes, so it is sort of at the back there. That is one of the reasons why I think it got caught up in the environmental side of it.

**Mr HODGETT** — I fully understand your concerns.

**Mr GUY** — I am with David. I fully understand your concerns.

**Mr SMITH** — I would just like to say I think your contribution has been very good because it has raised the issues that a lot of people have talked about, including the involvement of local

government. Undoubtedly the value of your land will increase because the urban growth boundary is getting closer and closer to it. There is no doubt about that, and the council will slug you, even though you will not be able to get any of the so-called windfall gain that the government talked about. It is important that you have raised these issues in your submission to us, because there are some doubters in this place who support the GAIC who would not support your concerns. They would look at you as someone getting windfall gains out of all this.

**Ms TINO** — It is fine. As I said, I am not opposed to it at all. I am just opposed to where it is being applied. Again, it does not affect me directly, but it may.

**Mr HODGETT** — Watch them.

**Ms TINO** — Who is to say? At the moment they are saying it is for the land within the urban growth boundary. Who is to say that in a couple of years they will not say, 'Let's do it for anything that gets developed'?

**Mr HODGETT** — You are spot on.

**Ms TINO** — That is the problem.

**Mr SMITH** — That is what they were trying to do with some of these committees they were setting up around the place that we managed to stop in the upper house.

**Ms GREEN** — You should have changed houses, Ken.

**Mr NARDELLA** — Yes, you should have stayed there, Ken.

**Mr SMITH** — I would rather be down fighting with you, Don!

**The CHAIR** — Just following up from Colleen Hartland's question about the rates, which is interesting, the Auditor-General also set some maximum figure on the rating.

**Ms HARTLAND** — It is the valuer-general.

**The CHAIR** — Sorry, the valuer-general; thanks for the correction. Have you looked at the situation there? I would advise you to familiarise yourself with that in a situation where you cannot stop progress.

**Ms TINO** — Most definitely not. You cannot stop progress, but how do you — —

**The CHAIR** — You should look at how the valuer-general's rate setting operates and whether an appeal and submission should be made there now.

**Ms TINO** — Are we telling people now, 'Because you are within that growth boundary, that is it; you basically need to sell up'?

**Mr SMITH** — They are going to be forced to sell up.

**Ms TINO** — Exactly, you are forced to sell up because you cannot pay those rates. That is the issue. Basically the council does nothing but collect rubbish if you have a house on the land; that is all it does for you. As I said, I do not even have a house on my property, so there is not one service that it provides. I live within the Whittlesea municipality, so I already pay rates and everything within my own house to pay for the libraries, the funding of kindergartens and all the rest of it. There you go; that is just my position anyway.

**The CHAIR** — Thanks very much for making your submission.

**Ms TINO** — Thank you very much for your time. I appreciate it.

**The CHAIR** — You will get a copy of the Hansard transcript of your evidence for proofreading in due course.

**Ms TINO** — No worries. I appreciate that. Thank you.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witness

Urban Development Institute of Australia (Victoria)

*Mr Tony De Domenico, Executive Director, (sworn).*

**The CHAIR** — I welcome Mr Tony De Domenico. I need you to provide your mailing address.

**Mr De DOMENICO** — My mailing address is suite 411, 434 St Kilda Road, Melbourne.

**The CHAIR** — Thank you. I need to familiarise you with the acts under which you have parliamentary privilege. They are the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act. You can say whatever you like in here, but it does not apply when you leave this room.

**Mr De DOMENICO** — Thank you, Chair. I appreciate you making me aware of that situation.

**The CHAIR** — You are welcome.

**Mr De DOMENICO** — Thank you for the opportunity of presenting to you. Can I say first of all that the UDIA represents the interests of about 360 corporations in Victoria, including land development companies, councils, government departments, architects, lawyers and anyone who makes a dollar out of the property development industry.

Can I say, too, that the latest study I have before me, which was hot off the press this morning, tells me that in the year 2008–09 the land development and housing industry in Victoria was responsible for the indirect employment of 208 350 Victorians; \$4.4 billion of taxes and charges — this is in 2008–09 alone; 23 per cent of combined industry turnover in the residential development industry; \$2.4 billion from developers in Victoria; an additional \$1.4 billion from employees of the industry; and \$0.6 billion directly from purchasers.

That is just to show it is a very important industry to the Victorian economy. We ought to keep that in mind when we talk about developers, development and progress in the state of Victoria. As you are well aware, the government's Melbourne @ 5 million plan says to us that by 2030 there will probably be an extra 1 million people living in Victoria, most of them in Melbourne and its environs. There is no doubt that the government has admitted publicly that it initially underestimated the growth of the Victorian population, therefore there is a need to extend the urban growth boundary and a need to provide the necessary infrastructure to accommodate that extension. On behalf of UDIA, whilst we believe that all taxes suck, to use a colloquialism, we know that taxes are necessary and we believe that the GAIC is a good way of making sure that infrastructure is built where it is needed. That is why in our submission, as you are probably aware, we have said to the government that we want to make sure the money collected from the GAIC is spent where it is collected from — in other words, for the provision of infrastructure to the people of Victoria who are going to be paying for it.

Can I also say that on Friday afternoon at about 3.30 p.m. we got notice that the government had decided to outline in draft form the GAIC legislation. We have had a chance to have a look at it over the weekend, and we spoke with the minister's office as late as last night. Later on, if I am asked a question, I can suggest that the government ought to look at the elimination of just one subclause of the proposed act without the act losing its intention, making sure that, for example, the GAIC is paid at the point where a permit is applied for. I think the lady who spoke prior to me said that. That, to me, seems to be a good way to go, because by then it is in the hands of the developer, so all of those antidevelopment people in the community will be

rubbing their hands in glee knowing that it is the developer who is going to be paying the GAIC.

Can I also say to those people, though, that when people keep saying, 'It's about time that developers paid', developers will pay, but as we all know, in the real world the costs are passed on.

**Mr SMITH** — To the landowner.

**Mr De DOMENICO** — It is the poor old punter in Melton, the poor old punter in Yan Yean and the poor old punter in Keilor and all the other provinces and electorates who are paying. The poor old punter also pays rates to the council and pays taxes to the state government, so it is not a developer contribution; it is a contribution being made by the punter out there who buys the first home and land package.

Can I also say that I am privileged enough to live in South Yarra, and why should the poor old punter, again, in East Cranbourne or Yan Yean pay an extra \$2000 to \$3000 for his block of land to have a third pipe installed so that someone like me in South Yarra can have more potable water to drink? I believe that I should be paying something as well. That is another issue perhaps for another committee at another time.

**Mr NARDELLA** — Correct.

**Mr De DOMENICO** — In summary, that is all I need to say. You have my submission before you, and I am quite happy to answer questions.

**The CHAIR** — Thank you.

**Mr GUY** — Tony, tell us about that part of the legislation that you think could be removed.

**Mr De DOMENICO** — Quite simply, Mr Guy, it is 201RA(c), which on my copy is page 9 of the proposed act. It is under the heading 'GAIC events'. What it literally means is that the GAIC is payable by whoever owns the land at the time the permit is issued. My strong belief is that in 99.999 recurring per cent of the time at that stage the land is owned by a developer, not by a farmer or a land-holder or whatever. In other words, at the time the developer gets a permit, that is when the GAIC is due and payable.

**Mr HODGETT** — Permit applied for or permit issued?

**Mr De DOMENICO** — Permit issued, because obviously developers will develop in accordance with the needs of the market. I keep saying that developers do not develop for the sake of developing; developers develop for the sake of — and let us be honest — making a profit; and there is nothing wrong with making a profit, especially when you are employing 208 373 Victorians. That is the time when the GAIC ought to be charged.

Also, in terms of the legislation I find it abhorrent — and I know it is not the intention of the government to do that, because it has said it was not its intention —

**Mr HODGETT** — They say a lot of things.

**Mr De DOMENICO** — I think we have got to be fair. I think it is not the intention of the act to slug developers as if they are tax evaders, but on the way that interest is deemed to be charged, as the draft act currently stands, if you correctly apply for a deferment and you obtain a deferment, you are slugged CPI tax, or whatever the going tax rate is, plus up to 8 per cent on the whim of the minister. That is about a 12 to 15 per cent increase in taxes, and you can get finance for less than

15 per cent, I have to tell you, and once again if the act remains as it is, those costs will be passed on to the ultimate land buyer.

Can I say that Victoria is the jewel in the crown in terms of household affordability in comparison to the eastern seaboard, and it has a lot to do with the fact that the government has committed to a 15-year zoned land supply, and in fact Premier Brumby has promised that at a UDIA function as it turns out to be. We applaud that, and we applaud the way the government is seeking to make sure that Victoria remains as the most affordable place to live on the eastern seaboard, and we think that these recommendations that we are making will make sure that situation is enhanced.

**The CHAIR** — Can I just bring you back; you said at the whim of the minister.

**Mr De DOMENICO** — Yes.

**The CHAIR** — If I recollect correctly, it is basically at the discretion of the minister which applications can be made on the interest.

**Mr De DOMENICO** — No. I think for a start deferral ought to be allowed by right and not by ministerial decree because, as we all know, by the time someone makes an application to a minister's office for anything and by the time it gets through all the bureaucracy — I note that Mr Nardella is smiling, and I agree with his smile — it could take two or three years, perhaps, or even six months. When we are talking about land-holdings, on-costs and financing costs going on and on and up, at the end, as I said, again in terms of affordability, it is the end buyer who pays, so the more we can do to streamline the system, the better it is for the buyer at the end.

**The CHAIR** — So what is your specific description of the draft legislation in regard to that?

**Mr De DOMENICO** — I think there are two or three things that can be done to the legislation without it losing its intent and at the same time improving it — and the government has to be commended for issuing draft legislation. It perhaps should have done so prior to the whole consultation process, but that is another story. But the fact that it has issued draft legislation giving people an opportunity to comment on it is a good thing.

**Ms HARTLAND** — I am interested in your comments about transport through the Wyndham growth corridor. Where a new community is developed, how much easier is it to sell that as a development if people know they have got good public transport? I am thinking of Williams Landing, where the new station is going to occur. What value can a developer put on being able to sell that there is a train station close by?

**Mr De DOMENICO** — Great value; let's be honest. I am an old Reservoir boy, and I keep saying, 'You can take the boy out of Reservoir but never Reservoir out of the boy', but I can remember when my mum and dad bought a block of land in Keon Park back in the 1950s, the railway line and railway station were already there, and that was why they bought the block of land where they did. They had access to public transport; they did not have sewerage at that time, and they did not have made roads, because they paid through their rates for that. But it certainly is of major advantage to have transport connectivity, no matter where you buy in Melbourne.

**Ms GREEN** — Thanks, Tony. I welcome that you have picked up on one of the points I have made publicly about the need for the E6 alignment to avoid the Wollert community because of its historic and environmental values. I would probably go a bit further and say it should be an arterial road rather than a freeway, but my question was in relation to your section on refinement of the UGB. You have referred to 'consider areas of sensible inclusion', and you have defined what they might be; would you like to take the opportunity to tell us where they might be?

**Mr De DOMENICO** — Not having a map in front of me, Ms Green, no. Just on the broad thing, I think it is all well and good of governments extending boundaries, but I think there should have been perhaps a higher concentration on land closer to existing infrastructure that may have been included that was not included in the investigation area. And I also need to say to you that there is obviously land within the existing urban growth boundary that perhaps needs to be looked at. The UDIA has been saying for a number of months now — —

**Ms GREEN** — Looked at in what context?

**Mr De DOMENICO** — In terms of inclusion as developable land. And I am saying that there has to be a way of doing an audit of what land currently, for example, in the hands of government departments and instrumentalities that may be within the urban growth boundary — —

**Ms GREEN** — You are not questioning that that has been set aside for environmental values and parks?

**Mr De DOMENICO** — No, not for environmental values; if there is land there that needs to be saved for future generations of Victorians, let future generations of Victorians or all Victorians pay for the upkeep and maintenance of that land, that is fine. Let us not put the onus on the person who is going to buy the house and land package in the immediate area.

I believe that there is probably land within the urban growth boundary owned by all sorts of people, that has not been earmarked for schools or ovals or anything else, that may be utilised in increasing density in inner Melbourne without having to have another extension of the boundary within the next one, two or three years.

**Mr NARDELLA** — Does your comment also refer to, say, some of the extensions around, for example hypothetically, Melton, where there was no extension of the UGB, where there is existing infrastructure, but it has actually gone further east towards Rockbank? Could that have been extended? Is that what you are referring to?

**Mr De DOMENICO** — Yes. I am just trying to reflect; there is an area — is it Bullmans Road, Melton?

**Mr NARDELLA** — Bullmans Road, correct.

**Mr De DOMENICO** — Where one side of the road is in, one side of the road is not. It is all surrounded by existing development.

**Mr NARDELLA** — There is Bullmans Road, there is Park Road.

**Mr De DOMENICO** — You would think, it is a no-brainer, why is that not put in? I do not know what the answer is, Mr Nardella; it is your electorate, I do not know whether you are aware of it?

**Mr NARDELLA** — No.

**Mr De DOMENICO** — It seems that there are little spots like that all over the place that are not included, that should be included. Depending on who you talk to, that is a good idea, that is a bad idea. But what I am saying is, if there is a policy of maximising existing land that is close to existing infrastructure, it seems the right way.

**Mr NARDELLA** — With schools and everything else, absolutely, I agree. I have got places at Westlake and in west Melton where the road ends at a paddock. It should have been extended out to Harkness Road.

**Mr De DOMENICO** — There are also areas in Clyde, for example, on the south-eastern side of Melbourne, which currently are growing carrots, which really ought not be growing carrots because they are surrounded by freeways, railway lines and infrastructure. Carrots could be grown about a kilometre further south or east and still maximise existing infrastructure, and it does not extend the boundary any further.

**Mr NARDELLA** — I agree, Tony, thanks.

**The CHAIR** — You have bought me into it, as the Chair. The housewife and families all want fresh fruit and vegetables. What is your view and your organisation's view of some of our broad agricultural land being rezoned for bricks and mortar, rather than keeping food production close to these 4 million people in Melbourne? With the increased population we have a responsibility for food security, and in particular for vegetables to be close to the market, rather than shipping it from interstate or overseas.

**Mr De DOMENICO** — I could not agree with you more, Chair. I think the market at Cooper Street, Epping, is a wonderful initiative, again, of the government.

**Ms GREEN** — Hear, hear!

**Mr De DOMENICO** — Yes, and I think we ought to be talking to the farmers that we are relating to — I do not know what area you are talking to — and see what their view is, and I think you will find there is plenty of land in Victoria to continue to grow fresh fruit and vegetables, close to existing roads and freeways, without spoiling the fact that we need to grow, in terms of people coming into Victoria, at the same time.

**The CHAIR** — My personal view is that, say, Cranbourne, and the area we are talking of in the city of Casey, is very good agricultural land but land which has been allowed to become part of the urban sprawl and therefore putting pressure on, again, the market gardeners there. As has happened at Casey, Keilor has disappeared. Melton has not got any, but we have got Werribee and Bacchus Marsh, which is in the state seat of Melton. How do we maintain that because, as I said, the supermarkets' demands on the growers is that they put fresh food on their shelves, basically harvested at 4.00 o'clock in the morning to be there at 7.00 o'clock on the supermarket shelves? You cannot do that if you have got to bring it from Shepparton, or a long distance away.

**Mr De DOMENICO** — I think they will manage, Chair. I am not a fruit vendor, or a fruitologist, so I cannot comment on that.

**The CHAIR** — It is a general observation.

**Mr De DOMENICO** — And I think it is supply and demand, that there are a lot of people wanting to live in those areas. How do you balance the market saying to you, 'Listen, this is where we want to live', with comments of others, saying, 'Listen, we should not allow people to live here because we believe that we need to grow carrots or vegetables or anything else there'? It is a fine decision, a decision that governments have to make. I do not envy the people who have to make those decisions.

**The CHAIR** — The committee has undertaken an investigative trip overseas and we found in some states and other parts of the world that there have been governments and industries like yours who have had an input in saying, 'This is farming land and it will stay as farming, depending on the purpose, whether it is for agriculture, cereal crops or vegetable or fruit crops'. You see here what we have lost over the years, with Doncaster and other productive areas that we had for the food supply for Melbourne disappearing. What is the view of the people in the organisation you represent on that? Is there any discussion of that happening?

**Mr De DOMENICO** — No. To be honest, there is not. The discussion that we have is about the fact that we need to house an extra million Victorians between now and 2030.

**The CHAIR** — They have to be fed with fresh food close by the market.

**Mr De DOMENICO** — Yes, but they have to live — —

**The CHAIR** — And with petrol prices and everything going up — —

**Mr De DOMENICO** — Yes, I know that, but they have to live somewhere as well. With respect, if we cannot go higher than 10 metres because of some councils in inner Melbourne, and we cannot go any wider than by extending the urban growth boundary — I am assuming that we are not going to house them like they do in Coober Pedy, underground — we have to put them somewhere, Mr Chairman, and I am suggesting it is a balanced way of looking at things. I know that you said before, and I agree with you entirely, we cannot deny progress, as long as progress is done sensibly, as long as the community's views are taken into account, but finally someone has to make a decision. It is a poisoned chalice. I would hate to be planning minister anywhere, to be honest, because let us be honest, no matter what decision the planning minister makes, he is going to upset a great number of people.

**Mr GUY** — I will do it. It is okay.

**Mr De DOMENICO** — I am not going to get involved in party political things, Mr Guy. I do not do that.

**The CHAIR** — Please continue.

**Mr De DOMENICO** — It is a hard call. We talk about the south-eastern area of Victoria. It is the area that has the least amount of land supply. It has four or five years of developable land supply in that south-east area — and that is where people want to go, because of the existing infrastructure that is there. It is close to the beachside suburbs, it is close to the city of Melbourne and it is close to the Dandenong area employment hub. People want to go there because that is where they work. That is where they want to live and that is where they want to recreate. You cannot stop the market. To try to stop the market or try to go against the market, brave is the government that tries to do that, whether it is Liberal, Labor, Callithumpian or what have you.

**Mr NARDELLA** — Or Green.

**The CHAIR** — I do have a view, and again it is my private view, that the western suburbs were not developed because the area was not attractive to developers, because it was expensive, due to the basalt plains and the rocks. So they have chosen to develop in the sand belt areas, where it is easy to put in services. Today, with the hydraulics that engineering has come up with, Delfin has proved that it is very attractive for people to come and live there, with Caroline Springs and the development in that area.

**Mr De DOMENICO** — Yes, wonderful development.

**The CHAIR** — So the standard of development has a lot to do with whether it will attract people, not the area in itself. Sanctuary cove has attracted a lot of people to that area. So it is the standard of the development, and the profitability is there, with modern machinery. I understand that in the past that was not possible. To me, the dryland area which in the west has the least rainfall and is rocky, cannot produce fresh food. As I mentioned, Bacchus Marsh has not got water and Werribee has not got water. Other areas of Melbourne and district where there is a higher rainfall are suitable for those fields. Should there be some thinking in the industry and a change in the direction of where people should be settling around Melbourne? After all, we are only 20 minutes away from the CBD, whereas for the area you are talking about, the sand belt and further down, you are talking about an hour and a half.

**Mr De DOMENICO** — I think you are assuming that everybody who lives anywhere needs to go to the CBD. I am suggesting that that is not the case. I am suggesting that people in the

south-east perhaps do not need to go to the CBD because they happen to work in Dandenong, they have all their recreational needs met down in the peninsula end. They have all the golf courses in the so-called sand belt, and some people in Victoria like to play golf. There are a lots of reasons why. You commented on the west and north. There are incredible developments going on out in the Whittlesea area and, for example, in the Melton area and in the western area as well. So there is a demand from all sorts of people to live in all sorts of places.

What we are saying is — and I think that the magnitude perhaps goes away from people — there will be an extra million people in Melbourne by the year 2030, and we have got to find space for them. People are coming to Victoria in droves, and why do we blame them? It is the best place in the world to live — —

**Mr NARDELLA** — Work and raise a family!

**Mr De DOMENICO** — And work and raise a family! That is right! We hear that every day, and we agree with that.

**Mr NARDELLA** — Hear, hear!

**Mr De DOMENICO** — As I keep saying, Chair, the developers will develop where people want to live. Developers will not develop where developers want to develop; they want to develop where people want to live, because that is the only place where they are going to make profits.

**Mr NARDELLA** — You referred to the 3-metre height limit before. How do you see the — —

**Mr De DOMENICO** — Ten. Three storeys, 10 metres.

**Mr NARDELLA** — Sorry. How do you see that being changed, or should it be changed?

**Mr De DOMENICO** — Now we are getting into it.

**Mr NARDELLA** — We are looking at urban growth boundaries and changes there because of these types of density restrictions by councils and by those communities. How do you see that being changed, and should it be changed?

**Mr De DOMENICO** — I note that it is state government policy for activity centres, for example, that we want to put more people around them, and I think that is a good thing, yet we have certain councils — I will not name them, because they are all over the place, north, south, east and west.

**The CHAIR** — You have got parliamentary privilege.

**Mr De DOMENICO** — Okay. Bayside, Moreland and Boroondara say, ‘Listen, you can develop in Preston, but not in Camberwell’. As a northern suburban boy I think: let Geoffrey Rush demonstrate at Preston station instead of Camberwell station, because they have been going for about the same length of years. What we are saying is let us maximise existing infrastructure. Let us make it easier to build affordable housing, for example, and some social housing in areas around activity centres, whether they be Boroondara, Darebin or anywhere else. I think those people and housing communities should have as of right the right to develop in accordance with state government policy in those activity centres without seeking to go through councils. I know that is something that perhaps some people might think is a bit revolutionary, but I am suggesting that state government policy should override local government stuff anyway, if it is for the good of the community.

**Mr NARDELLA** — In some of the developments, especially in some of those activity centres or places close to public transport, for example — Joondalup is the prime example — you have businesses, shops and offices, and then you have got two, three or sometimes four storeys of

apartments on top. They are very expensive apartments. With those types of developments, and certainly shopping centres, should there be any restrictions for the development of accommodation?

**Mr De DOMENICO** — There should always be restrictions in accordance with building codes and what have you. I look at the European and the United States examples, where you have got that sort of development and where you mix in, for example, a child-minding centre in with a retirement village, and you get the cross-social mix of the old, the young and the way that develops a community. You have got community businesses operating on the ground floor as well. You have got affordable housing mixed in with normal housing, and they are the sorts of things I think we should be looking at. It happens; we are not reinventing the wheel. It happens overseas, and there is no reason why it cannot happen here. We have got to get rid of that attitude of social housing meaning demeaning or worse housing. There are places in the United States where you cannot tell the difference.

**Ms GREEN** — Some of the campaigns are appalling, like Frankston council. They say, ‘We have got a homelessness problem’, and then they campaign against social housing developments.

**Mr NARDELLA** — But it is not even that. If you have a look at QIC and Woodgrove, for example, in Melton, they are going to expand there. You have got to start with Watergardens and a range of these places — Chaddie, for example — where they are loath to put residential on top, which would not affect the shops or the other activity underneath but in actual fact would probably build some of those businesses, including restaurants and movies and that type of stuff, but those developers are not doing that. Is there some way of maybe looking at changing that?

**Ms GREEN** — We are getting it at Laurimar.

**Mr De DOMENICO** — I was going to say you are getting it at Laurimar.

**Mr NARDELLA** — Are you?

**Mr De DOMENICO** — And Lyndarum as well. You are getting it at Lyndarum. You are getting developers in Epping North building a townhouse and building on 200 or 300-metre blocks of land.

**Ms GREEN** — And Doreen.

**Mr De DOMENICO** — In answer to your question, I see it as a way of perhaps providing housing for the disabled, the frail and the elderly who need to be close to services, railway stations, doctors and hospitals. There are areas around Melbourne — around railway stations and all over the place — that could be utilised for that, but we need to get that mindset into those councils to say, ‘Hey, listen! There is nothing wrong with having affordable housing built around your activity centre’. We have had the example of the Western Oval. Again, there were some concerns about building some affordable housing on the Western Oval, then the excuse came in, such as, ‘It is not really a big block of land. We really do not want it there’, and you think why?

**Ms HARTLAND** — It is a little more complicated than that.

**Mr De DOMENICO** — I know, but that is just an example that comes up in the media from time to time.

**Ms HARTLAND** — I am a big supporter of social housing, but there have been some hideous campaigns run just recently about social housing. We need to house people and we need to do it well.

**Mr De DOMENICO** — A number of developers have taken advantage of the federal government’s national rental affordability scheme. They are working hand in hand with

government departments and the department of housing here in Victoria — and organisations like Housing Choices and Mission Australia. Developers, the not-for-profit sector and governments are getting together and developing stuff that — —

**Ms HARTLAND** — Yarra Housing.

**Mr De DOMENICO** — Exactly. There are great examples, but of course they do not make the media, because they are not sexy enough.

**Ms HARTLAND** — Yarra Housing is doing a really good one in the CBD of Footscray over an old pub. There are going to be 75 flats, and that is fantastic. It is that reuse of older buildings, too.

**The CHAIR** — Any other questions? If not, then thank you very much. In due course you will get a copy of the transcript to proofread.

**Mr De DOMENICO** — Thank you.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witnesses

Heart Foundation

*Ms Kellie-Ann Jolly, Director, Cardiovascular Health Programs (sworn), and  
Mr Greg Ford, Senior Policy Adviser (affirmed).*

**The CHAIR** — I welcome you here. All evidence taken in this hearing is protected by the parliamentary privilege as provided by the Constitution Act 1975, the Committees Act 2003 and the Defamation Act 2005, and, where applicable, the provisions of reciprocal legislation in other Australian territories and states. You are protected in respect of whatever you say here; you cannot be sued. If you repeat it outside of here, it is a different matter — you do not have parliamentary privilege. There will be about 15 to 20 minutes for your presentation, and then we will allow about 10 minutes or less for dialogue with the committee. Please state your mailing address so we can send you a copy of the Hansard transcript, which you will get to proofread in due course.

**Mr FORD** — My mailing address is level 12, 500 Collins Street, Melbourne.

**Ms JOLLY** — My postal address is level 12, 500 Collins Street, Melbourne.

**The CHAIR** — Who is starting?

**Ms JOLLY** — Greg.

**Mr FORD** — I am going to make a start.

**The CHAIR** — Male chauvinist!

**Ms JOLLY** — We are modern.

**Mr FORD** — Firstly, the Heart Foundation would really like to thank the committee for the invitation to present today. We think that this issue is a really important issue for us, and we have a really strong interest in planning and the relationship to health. The argument that we want to present today, which we wrote to you about in our letter and we included in our submission to the Growth Areas Authority, really discusses the link between planning and health. That is the point that we would like the committee to consider and the issue that we will be talking about today. Before we do that, we feel it is important to say that in our letter to the committee we addressed just one of the terms of reference, paragraph (f), which is around alternative options, including any used in other jurisdictions. We did not discuss tax implications or the implications for land-holders or developers; that is not our area of expertise. Our area of expertise is health, and that is what we want to talk about today.

We just want to briefly give you an overview of why the Heart Foundation is interested in the relationship between planning and health. I will do a bit to set the scene, and then Kelli-Ann will go through some of our recommendations.

In our letter to the committee we attached a submission that we sent to the Growth Areas Authority in July. We argued in that submission that there is a relationship between urban sprawl and health. As the committee is probably aware, Melbourne is one of the world's most sprawling cities. Our average density is less than half that of comparable cities. Melbourne 2030 found that our average density is about 15 people per hectare. When compared to Toronto and Montreal, it is quite low: Toronto is about 42 people and Montreal is about 33 people per hectare. From that, Melbourne 2030 set a goal of looking to increase density within the established boundary. It set the goal of reducing new development outside the urban boundary from 38 per cent to 22 per cent.

The audit of Melbourne 2030 found that that had not happened; in fact the reverse had happened. The recent figures from the Department of Planning and Community Development, which looked at the population projections for Melbourne, show that Melbourne, to accommodate the growth in population of a number of million people, would have to build another 600 000 dwellings. They projected that 53 per cent of

those dwellings would be accommodated within the established boundary and 47 per cent outside the boundary. Even though Melbourne 2030 wanted to go the other way, in practice what has happened is we have continued to expand beyond the boundary. There is strong evidence to suggest that how our cities are planned impacts on health. A lot of that evidence is summarised in a position paper — which we can distribute to the committee — that the Heart Foundation has written looking at the relationship between the built environment and health. I have a number of copies.

**The CHAIR** — If you would make it available to the staff, please.

**Ms JOLLY** — Yes, we have enough.

**Mr FORD** — That position statement and a lot of international evidence and evidence from Australia shows that when cities sprawl and when people live in the urban boundaries they are more likely to be physical inactive, they are more likely to be overweight or obese, have less access to public transport, be socially isolated and experience high rates of high blood pressure. All these are risks for a lot of health problems, including heart disease, hence our interest in how Melbourne is planned. We think there is a really clear and strong relationship between our urban environment and how it is planned for health.

One of the things we are really interested in is physical activity. Australia's recent national health survey found that about only one-third of the population get enough physical activity to be beneficial for health. A lack of physical activity is the third biggest contributor to cardiovascular disease and the fourth biggest contributor to all forms of health problems — diabetes, cancer and those types of things. A lack of physical activity also contributes to the growth in people who are overweight and obesity. A study a few years ago by Access Economics showed that the growth in obesity costs the Australian economy over \$50 billion a year and costs the Victorian economy about \$14 billion a year, and in direct health costs to Victoria it is almost \$500 million a year. The reason for our interest in this is that we are particularly interested in health, but there are also implications for our health budget and the economy. We have a focus on preventing cardiovascular disease and promoting good health, and we think there is a clear relationship between that and how our urban environment is planned.

That is what prompted us to write to this committee and to put in a submission earlier this year to the Growth Areas Authority. We are also involved in deliberations about a revised Planning Act. We have been putting in submissions to the Department of Planning and Community Development. The Act is up for review this year. That is setting the scene of why we are interested. Now I will hand over to Kellie-Ann, who will talk about some of the recommendations that we think are really important.

**Ms JOLLY** — Thanks, Greg. As you may be aware, we walk for different reasons. We can walk for recreation; for the purpose of recreation. We can also walk as a means of transport. The Heart Foundation is very interested in walking per se as a form of physical activity. We are interested in recreation, but we are actually more strongly focused at the moment on looking at how we can embed walking and cycling as a mode of transport. It is really about embedding it into our daily lives and integrating it more. We have a real issue around sedentary behaviour, as you would be aware. It is really about looking at ways in which we can do this. We know that, yes, it is up to the individual to include that in their daily lives, but we also feel that government and planning has a really important role in enabling people to walk for transport and to also look at how planning does give more prominence to health and considers some of the issues which Greg has outlined.

We do know that compact, connected urban environments with a mix of densities and land uses do create shorter distances between people for them to be able to walk from one place to another. You have more local destinations if you have a greater density and mix of land use. That is, of course, going to encourage walking for transport. We see that in various places, not only in our own state but also in other states and overseas.

As Greg mentioned, a lot of what we talk about in our letter and our submissions is based on a lot of the recommendations of Melbourne 2030, which did include, as Greg mentioned, limiting urban sprawl and reducing new dwellings in greenfield developments and instead focusing on mixed-use planning, greater density and connectivity. They are the three pillars that we feel we should be concentrating on with planning. By this we mean that suburbs should be planned in such a way, as I said, to support physical activity, which is walking, cycling and of course public transport, because usually public transport starts with a walk and ends with a walk, so it is a combination of the two.

As we said, it is by planning suburbs with local destinations. The more we have density, the more likely we are to get the support to have more local shops, schools, communities, workplaces and so forth that can be integrated into our daily routine. Variety and proximity of destinations are critical factors in whether people decide to walk, and there is lots of evidence coming out around that. We also know that there is an ageing population. The car may not be an option in later years, so we need to look at how we can look at alternative forms of transport for our ageing population, as well as mixed housing stock which requires a kind of ageing-in-place notion, that people do not have to move from their own communities just because they are getting older.

We also think of, as I said, achieving greater densities in established suburbs and even in existing growth areas, because we have already got growth areas, and the government is thinking of going further again. There are opportunities to establish greater density in existing growth areas rather than creating additional urban sprawl.

The Heart Foundation recommends that Melbourne should aim for about 25 dwellings per hectare. That is something that we have been putting forward. We know that the greater number of dwellings per hectare, the more chance there is for local services and shops to walk to, and we know that the density of an area is indirectly related to walking. I keep pushing this point about density. I think it is currently about 15 to 20. I know that there is a bit of a debate about what that number should be, but the Heart Foundation has put up about 25 dwellings per hectare.

Higher densities in growth as well as established areas would reduce the amount of land required for urban development and reduce the perceived need to expand the boundaries. I think there is a study or an article that was done by Rob Adams that actually shows that the cost of infill development is significantly cheaper compared to fringe development.

The Heart Foundation has also been quite involved in working with local councils to try to embed this notion of 'healthy by design'. We can provide copies of this to the committee — we brought them today — which is a planner's guide to looking at ways in which you can embed health into planning. This has been quite well received by a

number of local councils within Victoria which are working with the key design principles to embed that into their local council. I can provide you with a copy of that. They are things such local destinations, open space, public transport and fostering community spirit.

The other thing that we mentioned in our letter was thinking about how we could look at this more broadly and look at the notion of establishing a Melbourne planning authority. I know this is not new, but it is something that could broaden the brief. At the moment the Growth Areas Authority primarily looks at growth areas. Perhaps we need to look at this in a much more holistic way and consider having some form of Melbourne planning authority that provides a much more strategic and holistic approach to looking at planning for Melbourne rather than just looking at the urban boundaries and beyond.

Those are some of our key recommendations and areas of interest.

**The CHAIR** — Thank you. That was very concise and very good actually.

**Ms HARTLAND** — That was really interesting. I know in my time on Maribyrnong council we had just started looking at that with VicHealth. I think what is really interesting is it was very simple things around Braybrook about footpaths that people could actually walk on. I was really interested in your ideas about health impact studies. How have you seen these work in other places? Can you give us some examples?

**Mr FORD** — A number of years ago Victoria University did some preliminary studies about how health impact assessment could work. I think the idea has taken off much more in New South Wales, where it is quite established at the University of New South Wales, and probably overseas as well. The idea of health impact assessment is like a social or environmental impact assessment where you look at a new or a proposed major infrastructure project or a major development, something quite major, and before that starts you try to assess the potential health impact. That could be a beneficial impact or it could be a negative health impact.

**Ms HARTLAND** — So that it just becomes part of the basic planning?

**Mr FORD** — That is right.

**Ms HARTLAND** — It is one of the boxes that are ticked.

**Ms JOLLY** — Exactly.

**Mr FORD** — There are health impact assessments that have been done, particularly in New South Wales, as I mentioned, also in Western Australia. I know that in central London it is used. I think the London planning authority uses health impact assessment. It is something that really has not taken off in Victoria at all, but there are a lot of people who are interested in it, and there is a lot of evidence to say that it is something that could add to the deliberations when something is being considered — whether it should go ahead and that sort of thing.

**Ms JOLLY** — There has been a lot of discussion around it in Victoria, and we do know that the Department of Human Services and others have had a number of forums to discuss it, but it has never really got beyond this phase.

**Mr FORD** — The other thing worth adding is that in our new health and wellbeing act one of the sections, it might be section 53 or 56, says that the health minister can ask for a health impact assessment, so we actually have it in legislation here. It is there if we want to use it.

**The CHAIR** — Health impact statement — are you saying that is for a subdivision before it is approved, or the layout of the streets in the area, or do we talk about the contamination of the brown sites, or are we more interested in saving our golden sun moth and the native grasses?

**Ms JOLLY** — I think it can be used in a variety of different ways and the detail probably would need to be thought through about how you would use it, but I think it would start even prior to a subdivision.

**The CHAIR** — Because you have got to do an environmental impact statement now, why not health? I would have thought that would be the first thing.

**Ms JOLLY** — It does depend on how broadly we look at health, too, whether we look at it more broadly around public health issues, as well. I also think that councils are often having to look at the triple bottom line issue and often the environment is looked at and the economics, but perhaps that broader health issue is something that is not being — —

**The CHAIR** — Just the aggro of road rage drivers is something that should be considered in these subdivisions — getting them in and out. When they are sitting in a car and cannot get onto an arterial road, that must help them towards a heart attack.

**Ms JOLLY** — That is right.

**Mr FORD** — A health impact assessment might want to look at whether there are footpaths in the planning design.

**Ms GREEN** — We are not the United States. To be honest I think it is actually a bit of local snobbery coming through about urban subdivisions and the idea that they are built without footpaths. I mean, I represent an area with lots of new estates, and I have not seen any for decades that do not have footpaths. I get a bit annoyed with people on this and organisations that spend all of their time in the inner city — and I am not sure if you are one of them — that pontificate about life in the outer suburbs and actually have not been there. I know the *Age* and other media bodies do that quite a bit and they need to get out and actually have a look. Do you want to ask a question now that I have got off my soapbox?

**The CHAIR** — I will just point out about the footpaths that I have a lot of areas in my electorate in which, particularly in the 1980s, footpaths were not put in, and people and kids get chased off because they walk on the area that is normally the footpath and the landowner says, ‘How dare you walk across my property?’ when it is the land that should have been the footpath. They have not got any footpaths, and they have got to be out on the road, on the bitumen.

**Ms JOLLY** — I think we are saying that is not the only issue.

**Ms GREEN** — This is something in which I have been very interested in, representing two growth corridors and one of the study areas but also the shire of Nillumbik. I have been interested in the Heart Foundation’s work and work by a number of other similar health bodies. I know there have been studies that have talked about, particularly in the western suburbs, the health impacts and safety impacts for women of there not being walking tracks and that then leading into high rates of obesity and the obvious health impacts beyond that. How do you explain the life expectancy of residents in Nillumbik and Manningham, who have the highest life expectancy in the state, have some of the highest car ownership and usage in the state and in the country and some of the lowest usage of public transport?

I would like to hear your answer, but I really think in terms of my electorate and what I see that it is much more about demographics, diet, education, participation in organised sport and access to walking and cycling paths. I mean urban design plays a huge part in that but I think when you look at the City of Whittlesea and the sort of stuff that they do — —

I think it is also about environment — gum trees, aspect, all that sort of thing. We do have examples in Victoria, in Melbourne, where people have high life expectancies and I think it runs counter to some of the arguments there. I think you might be confusing some demographic and income issues.

**Mr FORD** — I think in some ways your question answered what we would say, and that is that there are many things that go into life expectancy. We plan our suburbs but also our bike paths, walking paths, things like that.

**Ms GREEN** — But you have contended in your paper that living in the outer suburbs is going to be bad for your health and I have just given you some examples where it is not.

**Mr FORD** — If you look at the life expectancy data, the suburb with the highest life expectancy is the city of Melbourne — the people who are the residents of the city of Melbourne. Victoria follows international trends.

**Ms JOLLY** — The further you go.

**Ms GREEN** — Actually I do not think that is right. I think the last census showed that Manningham had the highest life expectancy for men and Nillumbik had the highest for women. That is my recollection.

**Mr FORD** — I would be more than happy to look over that and send that in.

**Ms GREEN** — Even if it is equal, what does that mean? Is it more about income and demographics and those other things?

**Ms JOLLY** — When you have a higher income, you also have more choice and more education. So they might be getting their recreation through other means. It is not as if it is an either/or.

**Ms GREEN** — I would contend that the people moving into Doreen and Mernda are probably demographically the same as people living in Nillumbik. They are the sons and daughters of Nillumbik. I have surveyed them — the residents of Nillumbik and Banyule — and I would be very surprised if they do not have similar life expectancies to their parents. They are moving into those places because of the retention of the red gums. There are good walking paths, there are good new sporting facilities. So I think just to say, 'Life in the outer suburbs is bad for your health' does not stand up to scrutiny.

**Mr NARDELLA** — It is wrong.

**Ms GREEN** — If you said in western Sydney there were issues, I would agree because that is a more stratified city, and if there were issues such as George was talking about in the subdivisions of the 1980s. But I think if you look at the way subdivisions are done in places such as the city of Whittlesea, it is a whole lot different.

**Ms HARTLAND** — I think the other thing, though, and I do not know that we should get into this argument here, is that when you look at places like Wyndham Vale and Wyndham and those areas that have particularly high rates of domestic violence, it is related to isolation.

**Ms GREEN** — I was just playing devil's advocate.

**Ms HARTLAND** — So there are a lot of factors to be taken into account.

**Ms GREEN** — You could look at education, too.

**Ms HARTLAND** — Yes. Are you saying that educated men do not beat their wives?

**Ms GREEN** — No, I am not saying that in terms of isolation and all of that.

**Mr NARDELLA** — No, we are not saying that at all.

**Ms HARTLAND** — But there are all of those issues that also come up in this paper.

**Ms JOLLY** — We have just highlighted one, but they are much broader. You are absolutely right.

**The CHAIR** — I am not game enough to ask the question I was going to ask about the incidence of diabetes in the west.

**Mr NARDELLA** — Better than the disease studies anyway.

**The CHAIR** — We seem to have the highest.

**Mr NARDELLA** — If you have a look at the disease study, that is right. It is in the places where there are walking paths and all that type of stuff, like Braybrook and Maidstone.

**Ms GREEN** — That do not have them.

**Mr NARDELLA** — That do have them but have the highest figures in the disease study. The question I was going to ask — Danielle asked my question but that is all right — is: how do you get the mothers out of their Toorak tractors so they do not just drive their cars to school to drop off their kids? We tried the walking school bus stuff. You can put milk bars, as per your report, 400 metres or 500 metres away from them and we do that with buses. But how do you get them out of their cars? They literally get into their cars, drive around the corner, virtually run everybody over, park illegally, drop their kids off and throw the bags out.

**Ms HARTLAND** — And complain about the parking ticket.

**Mr NARDELLA** — Absolutely.

**Ms JOLLY** — It is not just in Toorak either.

**Mr NARDELLA** — No, but they have their Toorak tractors. How do we change that? I think that is really the thing that is important, and I am no great shakes at or example of health by any stretch of the imagination, but I think that is more the issue. How in these growing communities can we get them to do that at the beginning rather than start to exercise and those types of things and break down some of their lifestyle options? I think this is more important because you can have the built form but the built form does not mean that people get out of their homes.

**Ms JOLLY** — No, that is right. To answer your question about how do we get parents out of driving their kids to school, whether it is mum or dad, there are a number of factors. There have been quite a few studies done about what are the reasons and most of it is relating to a fear of either stranger-danger or a fear of too much traffic. So it is an issue around safety.

**Mr NARDELLA** — They create it.

**Ms JOLLY** — I know they create it. They are actually in the cars.

**Mr NARDELLA** — It is catch-22. That is right. Major Major.

**Ms JOLLY** — Yes. We know that children want to walk to school. There are enough studies to show that they actually want to walk to school; it is trying to work with parents to enable them to feel comfortable and safe about allowing their children to walk to school. One other issue that the Heart Foundation is working on more broadly is around looking at speed reduction. Again that is another issue that is an important one. I think it is a cultural thing. It will not happen overnight; it is cultural, and also there is a range of issues around accessibility. We know that parents do not

expect their children to walk any more than about 800 metres or a maximum of 1 kilometre to school. If the school is further away than that, that is an issue.

**Mr NARDELLA** — But they are mainly neighbourhood schools. The primary schools are mainly neighbourhood schools.

**Ms GREEN** — I have had four new ones built in my electorate.

**Ms JOLLY** — Yes, I am not saying they are not. What I am saying is that when these parents were asked this was one of their issues.

**Ms GREEN** — But if you read the *Age*, you would think there were no new schools being built in outer suburbs, which is errant nonsense. I think you would probably find that in those areas there is a great culture of walking to school and the idea is to get the school in there early. It might be a problem in the more established areas but I think in the newer suburbs it is actually pretty good. Laurimar Primary School had a ride to school day. There were 120 kids at the school in the first year; 116 of them rode to school on that day.

**Ms JOLLY** — But do they continue? That is the issue.

**Ms GREEN** — They just got a grant for a bike shed and a lot of them are continuing and the ones who are enrolling next year. I encourage people to get out and talk to the communities that are evolving now rather than refer to the history of bad subdivisions.

**Ms HARTLAND** — And I would suggest do it in Wyndham and Wyndham Vale where all those problems are happening.

**Ms JOLLY** — There are still 80 per cent of children who are being driven to school.

**The CHAIR** — I will have to stop the discussion at this point. Obviously we should have had an hour for this subject, which is very important because consideration is given in isolation of everybody. But I do say there should be a health impact study for new subdivisions when they are planning the roads and everything else. As I said, when you are talking about the inner urban areas and reclaiming brown areas, it is important that they have been properly decontaminated so we do not face that problem.

I would like to thank you very much for stirring up the community in the public interest. Well done. In due course you will get a proof version of the transcript to proofread. Thank you.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witness

The Protectors of Public Lands Victoria Inc

*Ms Julianne Bell, Secretary, (sworn).*

**The CHAIR** — Welcome. You have got the protection of the constitution, the Parliamentary Committees Act and the Defamation Act. Whatever you say here will not be held against you. You are merely protected. Can you state your mailing address?

**Ms BELL** — Our mailing address is PO Box 197, Parkville. But we also have another address at 140 Gatehouse Street, Parkville.

**The CHAIR** — You have roughly 20 minutes. Give us a few minutes at the end for dialogue with the committee.

**Ms BELL** — Yes, I am making this submission on behalf of Protectors of Public Lands Victoria. We are a coalition of over 80 environment, parks heritage and residents groups across Victoria. Our aim is to keep public lands in public hands and to protect and conserve iconic heritage places and environmental sites of significance.

I would like to read this section on our grounds of opposition, because it is a summary and then just go through some of the points, because I think you have a copy of the statement?

**Mr NARDELLA** — Yes.

**Ms BELL** — In the terms of reference, we are considering the impact of the state's decision to change the urban growth boundary on land-holders and the environment. We draw the committee's attention to the failure of the state government in strategic urban planning over the last 10 years and encouraging uncontrolled entry of settlers to Victoria without examining sustainable population levels.

We are objecting to the creation of growth areas outside the existing boundaries by extending and creating urban sprawl, alienation of established green wedges, the destruction of the environment and wildlife, loss of biodiversity, creation of dormitory settlements without infrastructure and services, likely social alienation of youth, loss of arable land for food production, increasing car dependency, worsening Victoria's greenhouse gas emissions and contributing to climate change with land clearance, unsustainable housing and reliance on road transport plus knowingly approving the building of new settlements in fire-prone areas.

Additionally we deplore the imposition of a vendor tax on landowners in order to fund the infrastructure of the new settlements and the impetus given to land speculation and land banking. We support the submissions made by our colleagues from the Green Wedges Coalition and Taxed Out. I should also mention that we have recommendations made for accommodating population within existing urban growth boundaries that I would like to conclude with.

Quickly, just going through some of our allegations about failures of strategic planning over 10 years, we were promised under the Bracks government that there would be no changes or amendment to the urban boundary or the green wedges corridors. The fact there have now been radical changes is a serious breach of faith with the Brumby government. Melbourne 2030 was considered to be the blueprint and was expressly intended to contain future urban sprawl, prevent urban incursion to rural land, concentrate residential areas growth into areas of high-capacity public transport and protect sensitive environmental zones. Many planners have pronounced Melbourne 2030 dead unfortunately.

I want to just track through some of these changes and to point out that when the state government announced its review of the urban growth boundary in December 2008, when it released Melbourne @ 5 Million, it was quite extraordinary that nobody seemed to have realised there would be 1 million more people in Melbourne by 2025. This seems to us to be a major blunder with a major population boom.

The statement about the urban growth boundary was announced in June 2009, but there have been subsequent changes made, which is extremely alarming. For instance, Minister Madden on 6 October announced new precinct structure plan guidelines that do not have any mandatory control over developers, but were drawn up to avoid developments becoming isolated dormitory suburbs, places where there is nothing to do but sleep. This is what the government has identified.

**Ms GREEN** — I do more than sleep in Doreen, I can tell you.

**Ms BELL** — Yes, but that is not a new dormitory suburb.

**Mr NARDELLA** — Yes, it is. Excuse me.

**The CHAIR** — Order! Let the witness finish. You will get your chance later. Please continue.

**Ms GREEN** — She has never been out there; she wouldn't know.

**Ms BELL** — On 16 October Minister Madden announced the draft legislation for the growth areas infrastructure contribution and has changed the growth areas infrastructure contribution — at least significantly amended it. This was extremely disturbing. I have a quote from Michael Hocking of Taxed Out and I will not read it out in full but he says: 'This is taxing the landowner by stealth' and the situation is worse than originally proposed. You will hear from the Taxed Out people, and we support them.

The question is asked: What is a sustainable population for Victoria? It is instructional to look at the population clock of the bureau of statistics, and it is ticking all the time. An overall total population — this is for Australia; Victoria has a greater increase than other states — increase of one person every 1 minute and 12 seconds. I would like to read a quote from Kelvin Thomson, MHR, who is the federal member for Wills. He says:

Everything that makes our city the great place to live, work and raise a family, is potentially under threat if population growth and urban sprawl continue at the current rate. We must implement a strategy to control population growth, urban expansion and development. Our way of life, open spaces and infrastructure cannot be sacrificed on the altar of ever expanding population. We have a responsibility to secure our city's future through thorough, thoughtful and detailed planning. This planning should not include an expanding Melbourne waistline.

This is from *Five million is too many: securing the social and environmental future of Melbourne*, and Kelvin Thomson, as you might know, is the federal member for Wills and a member of the ALP.

**Mr NARDELLA** — He is wrong.

**Ms BELL** — Moving on to destruction of the environment and green wedges, the Green Wedges will make their submission on that but we should point out that around the urban fringe we have a concentration of the most endangered ecosystems in Australia: the western basalt plains, grasslands and grassy woodlands, Darebin and Jackson creeks, Merri Creek valleys with 400-year old river red gums, plus lots of habitat for the species.

Some of these are so connected with other issues of climate change and so on, just to point out some of the alienation, proposed density, open private space in outer suburbs means it will be hotter. We have the urban heat island effect and the lack of cooling of vegetation, transpiration and so on.

Past performance: there seems to be no allowance will be made for wildlife in outer suburban development. The Protectors of Public Land has had experience with kangaroos of Somerton and South Morang where animals get trapped in developed areas and just left to get killed on roads.

We have the particular experience in the kangaroos in Somerton where we actually did get Vissy and Austrade to allocate 20 hectares for kangaroos and also to provide a wild life corridor for that suburb, because the kangaroos were trapped outside some of the industrial areas there.

I think this is a very important point: the state government appears to have taken little notice of the report by the Commissioner for Environmental Sustainability, Mr Ian McPhail, and I have a quote from him and you really — to have a critic of — which, I gather that this report was accepted by Parliament, and he says:

Victoria's population growth, increasing affluence and the expansion of our cities and towns ... contributed to unsustainable levels of resource consumption and waste production.

This has direct environmental impacts through changes in land use, from conservation and agriculture to cities and towns.

He continues:

Continuing growth of Victoria's population will increase demand for land ... as well as housing and transport services, potentially leading to more waste and pollution. Extra demand for water is particularly pertinent given the predicted effects of climate change ...

He concludes:

It is currently cheaper to protect the environment than to restore it: but it is even cheaper to degrade it.

What a comment on the state of the environment!

Even if the committee does not take anything else from our submission, the urban growth areas — —

**Mr NARDELLA** interjected.

**Ms BELL** — I am sorry, did you have a comment?

**Mr NARDELLA** — Nothing. No, that's all right.

**Ms BELL** — Whether it is advisable settling thousands of people in our suburban fire-prone areas does not appear to have occurred to the government. The outer suburban areas classified are the growth areas: Beveridge, Bulla, Devon Meadows, Cranbourne East, Clyde North, Diggers Rest, Donnybrook, Kalkallo, Melton, Mount Cottrell, Officer, Pakenham, South Morang, Sunbury, Tarneit, Truganina.

I have, if I could — —

**The CHAIR** — Please continue.

**Ms BELL** — I see you are contesting the suburbs.

**Mr NARDELLA** — Because you are wrong.

**Ms BELL** — I have quite a list. If there is one that is out of place, I apologise. And it is apparent these areas are rather under resourced by fire services or not serviced at all.

**Ms GREEN** — Wrong.

**Mr NARDELLA** — That is wrong.

**Ms GREEN** — It is an insult to volunteers. When have you been out there and had a look and talked to anyone?

**The CHAIR** — Order! Let the witness speak.

**Ms GREEN** — How dare you! You inner-city snob. How dare you!

**The CHAIR** — Order! Let the witness finish.

**Ms BELL** — I did not come here to be abused by members of the committee.

**Ms GREEN** — I did not come here to listen to you undermine volunteers and the work that they did.

**Ms BELL** — Excuse me. I have a statement by — —

**Ms GREEN** — Make sure it is a factual statement.

**Ms BELL** — Excuse me. I have a statement by the CFA and the UFU board of reference decision and the directors have said — —

**Ms HARTLAND** — And I also attended a rally with the union on the steps of Parliament House where they clearly said that they were understaffed — they were clearly understaffed.

**Ms GREEN** — Yes, because they were after members. They do not respect volunteers.

**The CHAIR** — The committee can debate this matter in private. Order! Let the witness finish.

**Ms BELL** — I want it on record that I have been to many parliamentary committees and I have never experienced this kind of abuse.

I have got a statement from the CFA and the UFU board of directors who have said that I can table it at the committee, and they say that some of these areas, in fact all of these areas, are under resourced. They are currently under resourced. Goodness knows what will happen when the population of these areas expands. They have put in recommendations. For instance, I have got here 'Melton'. The majority decision — —

**Mr NARDELLA** — Melton has full-time fire officers, Julianne.

**Ms BELL** — Just a minute. I am reading out from this statement :

The majority decision is that this station should now be increased by one firefighter per shift and over time following the measurement of the performance by a further one fire fighter per shift.

I am saying that this is the current situation. We can only say what will happen if there is a significant increase in population in these areas — that is all I am saying. I would like to table a copy of this for the committee, if I could, so you can read it at your leisure. Our submission has the support of the CFA and the UFU board. The *Age* reported on 4 July in 'Lessons to learn' on the proceedings of the bushfire royal commission and pointed to urban sprawl as one of the 'fatal confluence of factors' that led to Black Saturday. I am only quoting from the *Age*.

I also point to the cost to Victorians. The state department of planning released in July such research that found that for every 1000 dwellings, the cost for infill development in existing suburbs is \$309 million, and the cost of fringe development is \$653 million.

It is stated by the Minister Madden in Parliament, reported in the *Sunday Age* of 11 October, funds to be raised by the \$95 000 — the \$95 000 hectares Growth Areas Infrastructure Contribution will cover only 15 per cent of total infrastructure costs. The minister is prepared to sacrifice green wedges land that makes Melbourne livable and to destroy the livelihoods of many small land owners and farmers for this minor financial return.

We have covered the unfair tax on land vendors, and Taxed Out will deal with that. There is the perpetuation of car dependency; reduction of arable land given our population crisis and likely food shortages it is unthinkable the government can contemplate turning over arable land for housing development; and increase of greenhouse gas emissions. I should point out that Melbourne is one of the leading cities in the world for the highest rates per capita, we generate more greenhouse gas or carbon monoxide a year — 11 tonnes per year per capita — than London, 8.5 tonnes. The increase in urban sprawl will worsen this figure.

Finally, with regard to accommodation of population within existing growth boundaries, there has been no examination how increased population can be accommodated in metropolitan Melbourne. Suggestions have been made that an inventory should be conducted of development applications already approved by councils within the urban growth boundary which have not yet been built. Utilising existing approvals might go some way to addressing the issue.

Secondly, an inventory needs to be taken of brownfield sites and lands which could be available for residential development — transport depots, railway sidings, commonwealth government sites — e.g. Maribyrnong defence site.

It is most unfortunate that the practice of land banking by developers appears widespread throughout the city. Take, for example, the former Royal Park psychiatric hospital site in Parkville which was given gratis to Australand and the Citta Property Group to build a residential development, then used for two weeks for the 2006 Commonwealth Games village. Original plans show a wall of 700 units on a 9-storey block, plus an 11-storey tower block. The land is still vacant. There is no attempt to commence building. The developers are said to be waiting until the market is right. That comes from Rob Pradolin who is the director of Australand. The truth is developers prefer greenfield sites and are unwilling to invest in developing brownfield sites.

We request the committee to reject approval of the extension of the urban growth boundary and the iniquitous growth areas infrastructure contribution and to develop recommendations for accommodating increased population within the urban growth boundary, plus arriving at some kind of consensus for determining a sustainable population for Melbourne.

**Ms HARTLAND** — Julianne, I am particularly interested in the issue of looking at brownfield sites and how we can develop those. How would you suggest that the government goes about just understanding what they have? It seems to me that there is a lot of land that is government held or is in statutory authorities.

**Ms BELL** — Yes. It was Kelvin Thomson, actually, in one of his documents, a report to Moreland — I think it was to the council — who suggested an inventory of development applications which have never been approved; secondly, I would say an approach to the commonwealth government for an inventory of commonwealth government land. I am not sure how far the Maribyrnong site — Mr Seitz might know — has progressed, with the big residential development.

**Ms HARTLAND** — It has not progressed very far; there are major contamination issues there.

**Ms BELL** — Yes.

**Ms HARTLAND** — It will be a major clean-up site.

**Ms BELL** — Yes, but I am just trying to think of other commonwealth sites. There is an enormous amount of VicTrack land by railways and, for instance, at Burnley, there was a big railway siding that they have developed. I do not know what solution there is to the problem. There are possibly inventories of, for instance, the Royal Park Psychiatric Hospital site — it is now called Parkville Gardens — which has a large area of land next to the freeway, that was supposed to be for the apartment wall. Now, I know that developers may well have gone into liquidation and so on and have not proceeded with the development, but I hope that some kind of inventory could be made of these developments that are currently on track.

**Ms GREEN** — Thank you for making your submission. I think it is important when making submissions to parliamentary inquiries that what is quoted is actually factual. The document that you quoted in relation to firefighting services is not in fact a CFA document, and I think that needs to be corrected. I will get the particular reference for Hansard, because it is not a CFA document. That is not the CFA position.

The green wedge legislation was not passed before the 2002 election. It was passed after that, because I in fact voted on it and that is when I was elected. Four-hundred-year-old red gums in the city of Whittlesea are tagged and retained in development areas. And I would make you aware that in the north, in the term of this government there have been 13 new fire stations built in growth areas and there certainly is planning that goes on in new suburbs for emergency services. There is a great range of volunteers who provide fire cover, who do it well and who actually respond within the proper times. In fact, there was a 100-hectare fire in South Morang in the Plenty Gorge on Black Saturday and, despite the stretched resources of the CFA on that day, there was no loss of life and no loss of a structure. New police stations have been provided in that area and new ambulance services. So I think to make a bald statement, 'We assume that state government doesn't provide these services' is complete ignorance.

I was wondering whether, Ms Bell, you — —

**Ms BELL** — Could I reply? Could I just make a — —

**Ms GREEN** — In terms of encouraging uncontrolled entry of settlers in Victoria, would you like to propose a Port Phillip Bay solution or a Murray River solution to keeping people out of Victoria? Is that what you would be proposing, Ms Bell?

**Ms BELL** — Could I answer? I think as a member of the public I can only go — —

**Ms GREEN** — Who is very outspoken and should be factual.

**Ms BELL** — I can only go on what I have been told — —

**Ms GREEN** — Which is not sourced.

**Ms BELL** — By Mr Peter Marshall, who is secretary of the United Firefighters Union.

**Ms GREEN** — But you quoted the CFA, Ms Bell.

**Ms BELL** — And Mr Greg Pargeter, who sent me this statement.

**Ms GREEN** — It is not a CFA document.

**Ms BELL** — I can only go on conversations with Mr Peter Marshall. I have had extensive conversations with him.

**Ms GREEN** — Have you talked to the Volunteer Fire Brigades Victoria, who provide cover?

**Ms BELL** — I have had two conversations this morning with Mr Greg Pargeter.

**Ms GREEN** — Who do you think fought the Black Saturday fires? It was by and large volunteers.

**Ms HARTLAND** — Excuse me! This is not what Julianne is talking about. It is about a serious issue that has been raised by the union. It has been raised with me. She is talking about — —

**Ms GREEN** — She is misquoting from a document.

**Ms HARTLAND** — She is talking — —

**Ms GREEN** — If she is going to quote from a document, she needs to make sure if she is saying it is a CFA document. It is not a CFA document.

**Ms HARTLAND** — If I could be allowed to finish.

**Ms GREEN** — Is it a CFA document, Ms Bell?

**The CHAIR** — Order!

**Ms BELL** — Excuse me! If you would like to get a copy of the document, it is the CFA and the UFU board of reference.

**Ms GREEN** — It is not a CFA document. It is a board of reference document.

**Ms BELL** — How can the public know the difference, excuse me, but — —

**Mr NARDELLA** — No, but you are bringing this here today, Julianne Bell, in front of the parliamentary committee. You need to be accurate and truthful in regard to what you are saying, and that goes for every single presenter today.

**Ms GREEN** — Then you made unsourced comments in your paragraphs after that — I draw that to your attention — but I would like an answer to my question about uncontrolled entry of settlers into Victoria and how the defenders of public land would control that entry.

**Mr NARDELLA** — Yes. That would be a good one.

**Ms BELL** — I feel with the whole immigration debate there is uncontrolled entry. Ironically enough I had a — —

**Mr NARDELLA** — How would you control it?

**The CHAIR** — Please let the witness finish.

**Mr NARDELLA** — It is a question. How would you control it?

**Ms BELL** — It is a federal matter.

**Ms GREEN** — You said the state government needs to, in your second paragraph.

**The CHAIR** — Please let the witness finish. Do not berate the witness at the moment. Let her finish one statement.

**Ms BELL** — The state government and the Premier have influence with the federal government on matters of, for instance, student population access to phoney courses in hospitality and hairdressing. There is an enormous influx of students to Melbourne on the grounds of temporary entry, which they then obtain permanent residence status on those grounds. That is something that is actually under investigation at the moment.

**The CHAIR** — Last question; we are running out of time.

**Mr NARDELLA** — Do you oppose the government on funding infrastructure? You said that. How would you fund infrastructure?

**Ms BELL** — A tax on the developers.

**Mr NARDELLA** — You are obviously not up to date with the new legislation.

**Ms BELL** — No. It is being passed on.

**Mr NARDELLA** — That is what in actual fact the government is proposing.

**Ms BELL** — Yes, down the line.

**Mr NARDELLA** — Correct, so the developers pay.

**Ms BELL** — Down the line.

**Mr NARDELLA** — If that is the case, will you support it?

**The CHAIR** — You asked your question. Let her answer it.

**Ms BELL** — I will just read this statement out, which explains it:

The tax is still applied at a flat rate regardless of the sale price, yet the land may be 20 years from development. A property owner needing to sell in the short term will find it virtually impossible to find a purchaser who is prepared to accept a GAIC liability, meaning the only likely purchaser is a developer not interested in the value of the dwelling and not interested in paying development prices for land that won't be developed for decades.

The Growth Areas Authority assumptions relating to value uplift remain fundamentally flawed and Taxed Out Inc. intends to expose these issues at a parliamentary inquiry ...

It is tax down the line. I am not an expert, but I believe what happened was this tax was not referred to the department of finance. It was a consultant that developed this whole notion of the tax.

**Ms GREEN** — The Department of Treasury and Finance. We are talking about the federal department.

**Ms BELL** — I can only assume the fact that it has been significantly changed means there was something seriously amiss in the first place.

**The CHAIR** — Thank you for that. We will have to conclude this session. In due course we will give you a copy of the transcript to proofread. Thank you very much once again for your submission. You have to understand some people get very emotional. It is a very hot issue with some people.

**Ms BELL** — It has been a novel experience, that is all I can say, after the three or four parliamentary inquiries I have attended. Thank you.

**The CHAIR** — Thanks for presenting. Do not let that discourage you.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witness

City of Casey

*Mr Liam Hodgetts, Manager, Strategic Planning, (sworn).*

**The CHAIR** — The committee welcomes Mr Liam Hodgetts, manager, strategic planning, Casey City Council. Could you give your mailing address, please?

**Mr HODGETTS** — It is 23 Devon Street, Eaglemont, Victoria 3084.

**The CHAIR** — You have already heard what I said about parliamentary privilege. You have 20 minutes. I may have to cut short the time for questions. If members of the committee do not interrupt, we will be on time.

**Mr NARDELLA** — We certainly will not interrupt, Liam.

**Mr HODGETTS** — I understand, thank you.

**Mr NARDELLA** — Even though I just did, but anyway!

**Overheads shown.**

**Mr HODGETTS** — A large part of this presentation I will skim through. Casey presented its submission to the committee on 15 September 2009. At that council meeting it resolved to support a position put by residents that the growth areas infrastructure charge should be levied at the point when development approval is granted rather than levied on current land-holders. As of yesterday the legislation has been released. I have had time to review that very briefly and can confirm that that particular request by the City of Casey has been met in the amended legislation.

**Mr NARDELLA** — Hear! Hear!

**Mr HODGETTS** — I need to acknowledge that.

**Mr NARDELLA** — Casey is a very powerful municipality.

**The CHAIR** — You said you were not going to interrupt.

**Mr NARDELLA** — I know; I am sorry!

**Mr HODGETTS** — I also know it has been released for public comment with 2 November as the cut-off date, and Casey will be attempting to pull together a submission on the details of the legislation within that time.

I have also presented previously on behalf of the City of Casey to this inquiry. That related to the agricultural inquiry held several months ago at the shire of Cardinia. Most members of this inquiry will be familiar with Casey's position. However, for those who are not, I will touch on exactly what our submission was. It relates specifically to the expansion of the urban growth boundary. I note that is part of the title of this inquiry. This submission, however, is very particular in addressing the points in the terms of reference of the inquiry. This is really just background information.

In December 2008, obviously, the state government released an investigation area. That is identified in the red line. Early on in the new year they identified a proposed urban growth boundary. That is the white line, and Casey's submission was to focus growth away from agricultural land further towards the existing growth front in Clyde North. The area of land is 3000 hectares that the state government wants to develop, and Casey's submission was that 1730 hectares was an appropriate amount of area to be developed.

This next section of the submission deals with the first term of reference, which is the likely quantum of collections by the government from the GAIC, the growth areas infrastructure charge. I really just undertook on behalf of council a simple mathematical exercise in understanding how many hectares we had designated in the area, which was 3000, and that is the area everywhere to the north of the white line, and tied in with that, of course, the infrastructure charge that applies to the area inside the urban growth boundary in 2005 and that brought in after.

The outcome of that calculation was that, as currently proposed, the urban growth boundary at 3000 hectares would generate approximately \$228 million in infrastructure revenue for the state government, and areas brought into the urban growth boundary pre-2005 would bring in approximately \$217 760 000. Casey notes that if the inquiry and the state government were to support its position of 1730 hectares brought into the urban growth boundary, being Casey's preferred option, it would be \$155 700 000. Casey also likes to point out that this is noted at only 10 to 20 per cent of the actual cost of infrastructure according to the growth areas infrastructure charge.

The second term of reference was relating to the mechanisms to ensure that the contributions are directed only to their intended purposes. We have had a long history with DCPs. Casey has what could be described as the lion's share of development contribution plans. We started developing them in the early 1990s. The area of land that is now developed as urban was all subject to development contributions. It resulted in a mosaic of development contribution areas similar to the GAIC legislation, and it really sought to tax developers for specified pieces of infrastructure that sat inside those particular areas. Each of those projects which we were collecting the development contribution from had specific infrastructure items affixed to those areas to ensure the orderly and proper planning of the area.

It resulted in approximately 13 development contribution plans that are currently active. We have four under review and a further two on the way, and those infrastructure contribution plans, or DCPs, provide for community infrastructure as well as state government infrastructure. The complexities and accounting to try to manage those individual funds should not be misinterpreted by the state government as, from experience, Casey has evolved over the last two or three decades managing and balancing the delivery of infrastructure, and all of those areas have been a very difficult task.

Casey's submission to the GAIC is that this approach that the state government is taking is a good one. We welcome another and considered effort towards delivering infrastructure in growth corridors, in particular Casey. We highlight, however, that there needs to be disciplined project identification. You need to qualify all of those projects listed. You need to be transparent. You need to have accounting systems in place to ensure that everyone understands where the money has been collected from and where it is going to be spent.

In terms of that particular term of reference, we have a number of recommendations that we submitted to the committee, and I will go through those very quickly. We were looking at collection areas to be defined to specific growth corridors, similar to Casey's mosaic of DCPs. We think it is very important that the money collected in the

corridor should be spent in the corridor. Also, the projects identified and prioritised in each of the corridors should be done in agreement with local government, and in particular the road authority or the railway authority that relates to state infrastructure, and that the money collected in the area is spent on that infrastructure.

Thirdly, Casey believes prioritising the items and spending of the funds should be done taking into account the net community benefit, so the benefit to the community. It should not be done in any way in the interests of developers who might benefit from the infrastructure being provided early. The decisions to highlight the projects, scope the projects and spend the money on the projects should be done from the point of view of the net community benefit. We believe such a decision is best made by local government, state government agencies and the state government.

The last point in this regard is the need for transparent accounting and auditing systems. From Casey's experience with the mosaic of DCP's (development contribution plans) currently under way and being developed, it is very important to track the flow of money in and out of the specific growth corridor. The prioritisation of those projects must be agreed between all parties, because if it is not you will start to get a little bit of grey moving into an area that should be quite specific, to provide certainty about when state infrastructure might arrive not only to government but also to the development industry.

As to the third term of reference about the likely impacts on the housing and development industry, clearly Casey believes a growth area infrastructure charge is likely to be passed on to the first home owners or the people buying in the growth corridor. Casey did mention in its submission to the inquiry that we are already seeing certainly unprecedented population growth, reasonably high mortgage stress and a worrying debt-to-income ratio, noting that Casey residents are particularly vulnerable in this regard.

Under this particular term of reference also there was an indication that roadblocks could occur in development. No doubt the committee has heard talk and seen presentations to the inquiry numerous times about the smaller land-holdings which are potentially at threat from the GAIC in terms of maintaining their economic viability, and about the belief the imposition of the GAIC renders some of the smaller land-holdings either undevelopable or uneconomic for the vendor to sell. The concern from Casey is that if these issues are not addressed appropriately then roadblocks might occur in development; they might affect the orderly and proper staging of development as it goes through the growth corridor. These land-holders effectively would be looking at this charge hamstringing their ability to become a vendor, sell their property and move on, and therefore free up the land for development.

In reviewing the legislation overnight I noted that exemptions are now available for some of these smaller holdings. It appears the government has taken on board some of the concerns that were passed on by the community earlier in the piece and has now put these exemptions in place; that should address this issue. Again, as I said, officers are yet to present that report back to council and identify that as a resolved matter, given the short time frames of this committee.

The fourth term of reference relates to unintended consequences, including the impact on land-holders and purchasers. I have touched on the impact on small land-holders. I will go straight to considerations in the difference of land value. One particular concern by Casey is the fact that our land and our lots differ in value from those in other parts of Melbourne. It is approximately \$50 000 from the highest-value block to the lowest, that being in Melton. That per-lot value is passed on, off course, on a per-hectare basis. When you are collecting \$95 000 a hectare in contribution for state government infrastructure you need to realise the value of land in Casey is very different from the value of land in Melton.

**Mr NARDELLA** — Correct.

**Mr HODGETTS** — Therefore you perhaps will not get more bang for your buck in Casey as you would in Melton. That needs to be realised and understood in the drafting and the passage of the legislation.

In Casey's experience valuations tend to indicate also that land closer to the existing urban growth boundary is more valuable. It also notes that the land closest to the urban growth boundary, that is, the land brought into it in 2005, is in fact \$80 00 a hectare and slightly less.

The fifth term of reference relates to any displacement or replacement of government spending likely to result in increased collections. This is very short. In summary Casey cannot support the view that the gate replaces any potential additional funds for growth areas relating to state or federal government grants.

Term of reference 6 relates to an alternative option including any used in other jurisdictions. From the experience of Casey, which has had developer taxing systems in the form of developer contributions in the past, they are a common form of taxing throughout Australia, New Zealand and beyond. A development contribution tax is a widely accepted norm in planning. The issue that Casey is particularly concerned about is that it needs to be carefully balanced when you apply flat rates across corridors.

We all know that case-by-case or site-by-site development potential and developability will differ because of the constraints on the land, whether that is vegetation, drainage or land value. That needs to be recognised when introducing the charge; and caution also needs to be exercised when introducing a flat-rate charge because slippage might occur from corridor to corridor on the level of money collected to deliver infrastructure in that corridor.

That summarises the terms of reference for the committee. I will just read through very quickly the recommendations that went to the committee as a result of that analysis in terms of reference. I have made the point that the draft legislation has already addressed the issue specific to Casey of most concern which was that the point of development is when you should collect the tax, not on the current land-holders. The collection area should be defined.

We should know and understand what was collected where, and that the money is spent in that corridor. I have had a conversation with the Growth Areas Authority, and they have been reassuring that annually that material — that detail — will be shown

and be able to be scrutinised by the general public in their financial reporting from year to year.

The collection areas of the GAIC and the projects identified need to be prioritised by agreement with local government and state agencies. It is very important that coordinating infrastructure delivery is by agreement with the Growth Areas Authority, the state government, and state agencies such as the Department of Transport for rail and bus delivery and VicRoads for road infrastructure. We would expect this to be a roundtable decision-making process where everyone prioritises and agrees on the prioritisation.

The decision of prioritising must be made as I said earlier in my submission on net community benefit. I think that is a very important point to make. Casey supports the fact that the public interest needs to be protected in infrastructure delivery, and that developers should not gain advantage for the provision of early infrastructure to suit particular estates or developments.

Casey submits for a transparent accounting and audit system particularly to be established to identify the flow of money in and out for each specific growth corridor, and for those projects to be prioritised. Casey also submits that the Hardship Relief Board needs to be formed perhaps now to consider these exceptional circumstances. That is on the basis that this hardship is being felt now by land-holders, and in particular by land-holders in Casey. They are in a state of limbo at this current time until the legislation is passed. If the government is serious about getting the GAIC legislation through in an expedient manner then we should also be addressing the concerns of residents who are left in this veritable limbo of legislative assessment.

I have already touched on the flat rates. There is a concern, and it should be a concern that is carefully balanced about applying flat rates across growth corridors, and I have used the example that that relates specifically to land values and the differences that exist in Melbourne. The final submission was to not disqualify a council for either funding granting opportunities with both federal and state when the GAIC is in fact applied. The council's position is that the GAIC is a great initiative to address a long-term issue in growth corridors in breaching a funding gap, but that should not discount our ability to compete for other alternative funding streams and grants into the state and federal system. That concludes Casey's submission.

**Mr NARDELLA** — Very good.

**The CHAIR** — Thank you, Don, for controlling yourself. I want to apologise on behalf of the committee and myself as Chair for the shortness of time for this reference. The committee was working on another reference which we have had to postpone. Like you, we are trying to meet the deadlines while giving the public an opportunity to make a submission on the reference which was sent to the committee from the upper house of the Parliament.

**Ms HARTLAND** — That was a really good submission, thank you. I am interested in the issues that Casey has identified in terms of viable farmland that will be lost. Could you comment on that?

**Mr HODGETTS** — Casey made a detailed submission to the previous inquiry — I think it was on sustainable agriculture on the fringe. I cannot recall the exact title of the inquiry, but I believe it was the one Mr Seitz referred to as being postponed.

As it stands the submission relates to two particular points of concern for Casey to the urban growth boundary. The first point is that we need to start lifting the bar in regard to urban densities, and we need to understand that with or without a growth areas infrastructure charge in place it costs more both from a local government point of view and from a state government point of view to develop and to continue to develop in greenfield areas at the densities that have been prevailing to date.

Casey's submission was primarily about compacting urban development around existing growth fronts and doing that by increasing densities and therefore improving affordability. The point relating to the GAIC in this regard is that by compacting densities effectively you have an affordable outcome. You will not be paying as much per hectare, and therefore by increasing densities and dwelling yields the developers will be able to distribute — pass on — the cost of the GAIC more evenly and to a more affordable extent to the houses that might go into Casey's preferred option.

The second point was to protect and, in the interests of an ongoing debate, to address the food security issue. We have a very viable and vibrant market garden industry in the south of Casey mostly around the Clyde area. The boundary you see before you now is specifically drawn to avoid as much as possible those market garden opportunities.

At the moment the market gardens are fed by a recycled water supply, and that comes from Carrum. It is only tapping into 3 per cent of Carrum's potential. I believe in three years' time Carrum will go full-line with class A water — that is, the balance of the 90 per cent or so will actually come online and be ready to be used.

Casey is involved with Cardinia, Mornington, Baw Baw and South Gippsland and several others — I cannot quite recall — in a project which is looking to utilise that recycled water in utilising the fertile agricultural soils to create what has been referred to as the Bunyip Food Belt. The submission to the state government is to protect the interests of that project, and the initiative those local governments are showing at this point in time.

**Ms GREEN** — I do not know that I have any questions.

**Mr NARDELLA** — You said the money raised by the GAIC should be kept in the corridor that it is raised from. Why is that the case? If you have a council that does not put in grants or is incompetent or is putting in grants that are unworthy — that are rubbish grants — —

**The CHAIR** — Applications, you mean.

**Mr NARDELLA** — Grant applications. We have just sacked one of them. Why should the money be kept in that corridor and not distributed around to where it is needed until that council gets its act together or we get rid of them or as happens in a democracy the community does what needs to occur?

**Mr HODGETTS** — In answering that question I will not answer on behalf of other councils, but I suggest that the City of Casey is unlikely to put in grant applications they did not deem to be appropriate or needed.

We are talking about two issues. There is the grant process, both at a state and federal level, and also the GAIC process. In terms of GAIC I would expect that it should be

spent in the corridors, and it will be, based on the fact that the Growth Areas Authority with the assistance of local government will and should have identified key projects of state significance. We are talking railway stations, bus services, road widening and road construction. I acknowledge that grant applications at both state and federal level are often ambit claims or perceived to be.

That would not be the case in the City of Casey. We continually acknowledge that there is an infrastructure deficit for Casey, and we advocate on behalf of our residents to have appropriate infrastructure for their needs.

**The CHAIR** — Thank you very much for your concise presentation. In due course you will get a copy of the transcript for proofreading.

**Mr HODGETTS** — Thank you very much.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmarr  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Ms K. Delaney

#### Witness

Friends of Banyule Inc.

*Mr Dennis O'Connell, (sworn).*

**The CHAIR** — I welcome Mr O’Connell to the hearing of the Outer Suburban/Interface Services and Development Committee. All evidence given at these hearings is protected by parliamentary privilege as provided for under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005 and, where applicable, in other jurisdictions and territories. What you say in here and what appears in the Hansard transcript is protected, but if you go and repeat those things outside this hearing, you do not have parliamentary privilege.

I invite you to provide you mailing address where we can send you a copy of the transcript of your evidence.

**Mr O’CONNELL** — It is P.O. Box 577, Heidelberg, 3084.

**The CHAIR** — You have about 20 minutes to make your presentation, and then we have allowed 10 minutes for dialogue with the committee.

**Mr O’CONNELL** — There are two ways I could do this. If you wish, I could read our submission into the transcript, or alternatively I have a short overview of that.

**Mr NARDELLA** — Go to the short overview.

**Mr O’CONNELL** — The short overview would be the preferable way to go! Let us do that.

**The CHAIR** — Just walk us through some of the points you want to highlight.

**Mr O’CONNELL** — I am sure you have read all of it. Just to go through the key points contained in our submission, I begin by referring to increased car dependency. Residents of newly developed outer urban areas will be obliged to have high levels of car dependency to commute as a result of expanded urban growth boundaries, with the resulting additional levels of air pollution, increased travel times and traffic congestion at a time when overall Melburnians have taken up significant levels of increased public transport patronage.

Increased traffic densities will result through middle-ring and inner suburbs, including those in the Banyule municipality, as a result of greater traffic flows generated. We note the recent comments by Treasury secretary Dr Ken Henry in the commonwealth government’s tax review that the cost to the economy of congestion is estimated to be in the region of \$9 billion annually, rising to approximately \$20 billion over the next decade.

I turn to the impact on the environment and the loss of green open space. Loss of green open space in green wedge and other areas will occur as a result of this urban expansion, including grassland, river and creek environments, with increased pressure being generated to build new and extend existing freeways. This will include residential areas, with potential compulsory acquisition, as well as areas with high conservation and recreational value, including public land and green open space, which are significant environmental assets to the community as well as for the city.

For example, in Banyule’s case this includes the proposed north-east link proposed to be built through Warringal Park, Banyule Flats and Bolan Bolan wetlands, a significant green corridor with high levels of remnant fauna and flora as well as cultural and historic significance. It is home also to the Heidelberg School painters and the nearby Heide Museum of Modern Art.

There is a lack of public transport and basic infrastructure in these proposed new development areas, and the proposed land tax on sale — or purchase, as was recently

suggested — will generate only approximately 15 per cent of required revenue. The consequent potential social isolation of residents will generate problems for these communities as well as for society in the future.

Despite recent comments by the planning minister about the proximity of jobs and transport of these new areas, for the most part they are far from either. Better public transport options, such as the Mandurah rail line from Perth which has been completed in recent years, could be built at a fraction of the cost of, for example, the proposed north-east link planned, as noted, to be built through Banyule.

Potential light rail options such as a Clifton Hill to Doncaster–Bulleen Road line and utilisation of other freeway reserves could be considered as viable alternatives. Construction of yet more roads and freeways to accommodate increased urban expansion diverts public funds which would otherwise be available for new and expanded public transport options.

There is a back-to-the-past approach to planning. The planning approach encapsulated in the expanded urban growth boundaries is a road and freeway-centric style of urban planning and development at a time of increased need to reduce our carbon footprint and energy consumption. This type of ever-expanding metropolis with exponentially increasing population levels is not compatible with quality of life or the environment. A proposed increase of 1 million people by 2020 is taken as a given and should be the subject of major debate and discussion as to whether this is either sustainable or desirable.

The type of expansion is not consistent with government policy elsewhere, including on the environment, sustainability or in fact its own planning policy, including Melbourne 2030, which sought to limit growth on the urban fringe.

In our submission we briefly touch on the potential to place residents in harm's way. This approach of continually expanding urban boundaries leaves residents on the urban green corridor and open space interface not only without sufficient infrastructure but also in areas which either have been or are likely to be impacted by bushfire — and this includes grassfire — in the future. It has been noted by the government's own emergency service authorities that these fires are likely to be more frequent and more intense as a result of climate change in the future. We need to plan for this now rather than react when something happens. This issue needs to be factored into all future planning and development consideration. We submit that this, as well as all of the above, is part of what should be a holistic approach to planning and development of Melbourne as a city overall if it is to remain as livable as it was once proclaimed and as it should be in the future.

**The CHAIR** — That was very concise. Thank you.

**Ms HARTLAND** — Thanks for the submission generally. I was interested in the comments at page 4 of your submission where you talk about the Perth–Mandurah rail line that was created. I recently had an opportunity to be in Perth and went and had a look at that. I thought it was very impressive.

**Mr O'CONNELL** — It is.

**Ms HARTLAND** — You are looking at it in terms of saying this is where the money should be spent rather than on freeways.

**Mr O'CONNELL** — We are, yes.

**Ms HARTLAND** — Can you elaborate a bit on that?

**Mr O'CONNELL** — Certainly. If we are to expend funds, for example, on the north-east link, with the tunnelling that it has to have to go under the Yarra River — and several times, as the Yarra is of course a very winding river, and certainly in the Banyule area it is — the cost is somewhere in the vicinity of \$6 billion, I think, or some figure like that. I understand the Perth–Mandurah rail extension was built at a fraction of that cost, and I believe it was done both under time and under budget.

We think alternatives such as a light rail heading in an easterly direction from Clifton Hill to Doncaster and then possibly along Bulleen Road, which has been mooted and has been talked about in public as an option — or possibly even heavy rail, which the Mandurah line is, but in this case light rail would be a preferable option — could be established at a fraction of the cost and in a fairly quick space of time. The freeway reserve on the Eastern Freeway is already there. It is quite wide, about 400 to 500 metres wide, and it could then divert, say, along Bullen Road, which also has a fairly wide reserve along there, past the schools and other facilities there which it could serve. It could be built more quickly and more cheaply and would not involve us in this huge freeway and tunnel construction.

**Ms GREEN** — Thanks, Mr O'Connell. I note your comments about the 2006 census and the use of bus and rail trips to work, which were obviously quite low at that point. I am wondering whether the Friends of Banyule made submissions or were aware of the findings and the new services that came out of the Banyule-Nillumbik bus review, including the new green orbital cross-town bus service that has begun to service Banyule and also the yellow orbital bus route that is going to start in about 12 months and which, noting your comment, will give direct access to the airport.

Finally, in relation to your comment about local employment and the problems of the 1950s and 1960s — and I would not disagree with you — are you aware of the success of the employment targets set in the city of Whittlesea? They have set themselves a target of one job per household for each new house, and they have almost doubled that. I wondered whether the Friends of Banyule were aware of that, because I think that has an impact for traffic projections and things like where people work and all that.

**Mr O'CONNELL** — Probably not the latter specifically in terms of Whittlesea, but in terms of the orbital bus routes and so forth we have had discussions and made submissions. In fact we had somebody from the Victorian bus association come along and address the steering committee recently, and he spoke of the orbital bus route, which we would agree is definitely the right way to go and has apparently so far had good patronage. So I guess we would agree with you. The good public transport initiative, when you actually do it, does get a fairly positive reaction from the public, so we would certainly encourage that.

**Ms GREEN** — There are the other local bus services that now run until 9.00 p.m. and have got the minimum standards. I agree with the points that have been made there, but I think having the up-to-date information is important, and I would probably encourage the Friends of Banyule to have a look at that and the new services that have been provided in the area.

**Mr O'CONNELL** — Yes, we have. This is probably a general comment, but we would agree that we think recent bus initiatives have been good.

**Mr NARDELLA** — In your submission you say there should not be an expansion of the urban growth boundary. Which areas in Banyule would you elect to have as high-density areas?

**Mr O'CONNELL** — This is the dichotomy which Melbourne 2030 was trying to address, and that is how you limit growth on the urban fringe, which Melbourne 2030 did and we hope in the future it will still have some tools to do that, despite the expansion of the UGB as proposed. I do not think there is a major objection to low to middle-rise development in the inner city or in the middle-ring areas such as Banyule. In fact as I was driving along Heidelberg Road on the way here I noticed that construction has started on a new building at the corner of Burgundy Street and Lower Heidelberg road, and that I believe will be about five storeys or so.

There may be some people who might object to its proximity to Warringal Park, but so far there has not been a major objection to some development. If that was a 10-storey building such as that being built in or near parkland, say, in the city of Darebin adjacent to Northcote Plaza, I think there would be objection, but to levels of three, four or five storeys I do not think there is a major objection so long as the planning is done sensitively.

**Mr NARDELLA** — What I have found is that there are levels of objection. The most famous one is Camberwell, and it is a real problem. There has to be recognition that this type of stuff needs to occur, even if it is 10 storeys high and next to parkland. We are getting objections at the moment that we are building units and apartments next to railway stations, of all things. Not only is that a dichotomy, as you call it, but it is a problem. In Sydney in New South Wales, where the committee went, and George was there, there is an agreement by the inner ring and middle-ring councils in regard to densification. Until we become serious we are going to get an extension to the UGB and these problems that you talk about, which I absolutely agree with you are real problems, will have to be dealt with.

**Mr O'CONNELL** — I certainly understand what you are saying. There is an ongoing tension that exists in planning policy in Melbourne, and as I say, 2030 endeavoured to deal with it. Recent discussions about seven storeys, supposedly, along tram routes and so forth have obviously sparked controversy. Of course if you are living on the transport hub or activity centre interface, say a block behind those seven-storey buildings, you might quite rightly have an objection. These are issues which are happening all over Melbourne, and certainly Camberwell station is a very good example. But if these are done sensitively and take into account local concerns, I think they can be done. I do not think they are completely impossible to achieve.

**Mr GUY** — My office is below a whole range of apartments which are up to three storeys at Rosanna station, and I know council had huge trouble getting those apartments approved simply because people said it will be against urban character, it will turn Banyule into a high-density city and all the rest. I guess my questions are similar to Don's in some ways. If you do not want to expand the UGB — mindful that 2030 did not say not to expand the UGB; 2030 said it would not expand the UGB outside of growth areas — where would the Friends of Banyule then say we should look at in Banyule? I grew up there, and my office is there, but what suburbs do we then identify as three, four or five-storey development opportunities, again bearing in mind that the council has approved many of those development opportunities in Burgundy Street and the reason they have not gone ahead is not because of council's opposition but in fact because of financing concerns? The other one is that you cannot buy a three-bedroom apartment in some of those developments for much less than you could buy a house around the corner, so what then becomes the incentive and what then are the locations to build those places in Banyule to stop the necessity or the requirement to expand the UGB where cheaper housing can be found without greatly reducing population growth numbers in Victoria?

**Mr O'CONNELL** — Again I fully understand what you are saying — that it is an ongoing issue and there are certainly objections to any sort of high rise. I do not think we actually have that objection ourselves. I guess we are the same as most residents and most resident groups; we are more concerned, if you like, about local amenity and neighbourhood character and development. You cannot be against development per se. If you are going to say that, I think that is unrealistic. You have got to be for sensible and appropriate development, and I think there are opportunities along main roads and in activity centres in Banyule, as there are in other areas, for some development at various levels.

As I say, I do not personally believe a 10-storey building would be appropriate, but perhaps four or five would be, depending where they were. For example, there are parts of, say, East Ivanhoe and Eaglemont, as you know, where you are not going to build a five-storey building because the local residents are going to say, 'Come on, this has got neighbourhood character, and we want to protect it', and quite rightly. But there might be other areas of the sort you mentioned opposite Rosanna station. I have to admit architecturally I think they are fairly ordinary, but still the level is not such that it is going to create a major impact on the area.

**Mr GUY** — We are growing at around 90 000 to 92 000 people per annum in Melbourne, so if we close off the UGB from expansion, even if population growth was to decline over a certain period of time, there would then be a requirement on us to say, 'Where are we going to factor in extra residential accommodation, and how can we make it easier and more cost-effective?'. I know, for example, there are other local community groups in Banyule, and some of them brand themselves as conservation groups, that have in the past opposed higher density development, particularly down towards the Banyule Flats. On one hand they are saying, 'You can't expand the UGB. We've got to have higher density accommodation'. Then of course the council or others come along and say, 'Well, here's an opportunity', and they say, 'No, not here'. What becomes the trade-off if you say, 'We don't want the UGB expanded'? Is the premise that population growth should be stopped?

**Mr O'CONNELL** — That is a very good question, of course. We are not saying population growth should be stopped. I think I just mentioned in my outline of the submission that our view is that it ought to at least be debated — that is, the 1 million extra people in Melbourne over 20 years. Is it a good thing to increase from 4 million to 5 million? There are obviously some downsides on that, in fact quite significant downsides. That does not mean you do not have population growth. You might look at having it in a way that does not impact quite so negatively on Melbourne in terms of its current issues of congestion, which I mentioned and which the federal Treasurer has recognised as a real cost to the community. I think that certainly some population growth or other can be accommodated. We believe, as we say in our submission, that there is land within the existing urban area to do that.

Our view, even though our main concentration is more on, I suppose, the natural environment than the built environment, is that we still have to be aware of both. We would say that so long as it is done sensitively and in consultation with the local community — as opposed to, say, the 10-storey building at Northcote Plaza which was called in, and that really got a lot of residents offside, and they were pretty crook at the planning minister because whatever say they had they could not even take it to VCAT — I do not think there would be an objection from us.

**Mr GUY** — Just again in closing, for the record, it is worth noting that in Melbourne everyone says, 'We've got to go higher. That's fair'. In certain locations there are no problems. But as soon as you go three storeys or over in this city you incur a union job, and it incurs a 30 per cent uplift in costs.

**Mr NARDELLA** — This is where he is going.

**Mr GUY** — Hang on. You two can whinge, but this is fact, okay? You can ask Tony De Domenico here.

**Ms GREEN** — We thought you were sounding too nice. We knew there was a sting.

**Mr GUY** — You can ask all the other guys you like. Once you starting unionising work in Melbourne on three storeys or over, you incur a 30 per cent uplift in cost of production of that accommodation.

**Mr NARDELLA** — Bring back WorkChoices!

**Mr GUY** — Which is why Melbourne on land supply is competitive but on high-rise accommodation is not competitive, which is why you find developers pushing to expand the UGB but not going ahead with a lot of developments in Heidelberg, for example, which could be at a retail cost level up to 20 per cent cheaper. They could be comparable with places like Brisbane and Perth and other major cities, but they do not exist in this city.

**Mr NARDELLA** — Perth?

**Mr GUY** — It shows your knowledge, Mr Nardella, if you do not realise there is a competitive difference.

**Mr NARDELLA** — I have been to Perth; my brother lives in Perth.

**Mr GUY** — It is a competitor market of ours.

**Mr NARDELLA** — As if you know. You have no idea!

**The CHAIR** — Order!

**Mr GUY** — It is a competitor market of ours, and it shows your ignorance if you do not actually realise that.

**Mr NARDELLA** — You put yourself as shadow minister.

**The CHAIR** — Order!

**Mr GUY** — You do not actually realise it is a competitor market, and it is indicative of yourself that you do not actually know that.

I just point out to your organisation that it is fine to present options to densify — and I do not think many people are opposed to it — but we have to go back then and actually look at the costs as to why densification is cost prohibitive in Melbourne.

**Mr O'CONNELL** — Certainly we do, but there is also a building cost and an environmental cost, because once you go above three storeys, as you quite rightly say, you have infrastructure issues in the building itself, such as underground car parks — —

**Mr GUY** — It is a compulsory union job; that is why.

**Mr O'CONNELL** — And lifts — —

**Mr NARDELLA** — That is what stopped Docklands from developing.

**Mr O'CONNELL** — Air-conditioning plants and so forth.

**Mr GUY** — Kennett got them; that is why.

**Mr O'CONNELL** — In fact those buildings may be far less environmentally efficient as you go higher. That is one of the dichotomies as well. So there are issues, as you say: there are workforce issues, there are environmental issues and there are neighbourhood character and planning issues, and it is a real challenge for Melbourne.

**Mr GUY** — That is right, and unfortunately there are union issues which this current government will never, ever confront.

**Mr NARDELLA** — There are not. Otherwise Docklands would never have been built.

**The CHAIR** — Order!

**Mr GUY** — It was built under the Kennett government, buddy. Where were you in the 1990s — under a rock?

**The CHAIR** — Order!

**Mr NARDELLA** — There would not be one building in Docklands. And you want to be a minister — hopeless!

**The CHAIR** — Order!

**Mr GUY** — The terrifying thing is you were a shadow minister.

**Mr NARDELLA** — I was.

**Mr GUY** — Underline 'were'.

**Ms HARTLAND** — Can I make a suggestion? It is getting quite heated, but we are actually here to ask questions of the people presenting rather than having a go at each other.

**Mr GUY** — I did not interject on anyone, thanks, Colleen.

**Mr O'CONNELL** — Mr Chairman, could I indicate just in relation to that, because it really is a core issue that we say we are not opposed to development and what we would promote is sensitive development. These are issues that we as a community just simply have to work our way through. They do face us, and we are going to have to grapple with them in some way. But we say: involve the community in it; bring them along and they will come up with some good ideas, hopefully.

**The CHAIR** — Thank you very much for your presentation. In due course you will get a copy of the transcript to proofread. I remind committee members that you are here for the witnesses to express their views and not to be taking up their time in discussion across the chair.

**Mr O'CONNELL** — I understand this is the rough and tumble of Parliament.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witnesses

Merri Creek Management Committee

*Mr Michael Anthony Faithfull, Manager Strategic Projects* (affirmed), and

*Ms Ann Marian McGregor, Secretary* (affirmed).

**The CHAIR** — I welcome you here. All evidence taken in this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005 and other legislation where applicable in other jurisdictions of other states and territories. Please state your full name and mailing address.

**Mr FAITHFULL** — Michael Anthony Faithfull. I live at 21 Harrison Street, East Brunswick.

**Ms McGREGOR** — Ann Marian McGregor. I live at 103 Mitchell Street, Brunswick.

**The CHAIR** — We need your address because in due course a copy of the transcript will be posted to you. You have roughly 20 minutes to present to the committee, and then we will have dialogue with the committee — or committee members will have dialogue amongst themselves, but preferably with witnesses.

### **Overheads shown.**

**Ms McGREGOR** — I will start off, and I will defer to Tony for answering the difficult questions. Firstly, just to introduce the Merri Creek Management Committee, it is an incorporated association. It is an environmental coordination and management agency which was formed in 1989, so we are celebrating our 20th year this year. It is comprised of six member municipal councils plus the Friends of Merri Creek and the Friends of Wallan Creek. Its primary purpose is to ensure the preservation of natural and cultural heritage, and the ecologically sensitive restoration, development and maintenance of the Merri Creek and tributaries, their corridors and associated ecological communities. In the last financial year, 2008–09, the management committee had more than 20 employees and an operating budget of about \$1.3 million.

Just to give you a bit of context, the Merri Creek catchment is shown on that map in yellow outline. The creek itself is a blue line. The Merri Creek flows from the Dividing Range through the northern suburbs of Melbourne to meet the Yarra at Dights Falls in Abbotsford. Why is the Merri Creek Management Committee interested in the UGB changes? This map shows urbanisation in the Merri Creek catchment. About one-third is currently urban. There is a lot of growth happening with the current urban growth boundary, filling in towards the edge of the current urban growth boundary. The new proposals will cover the rest of the catchment, apart from the Wallan growth area in the far north of the catchment. The Wallan growth area adjoins the Melbourne growth area effectively. That really accounts for most of the Merri Creek catchment with the proposals for the urban growth boundary.

What is at risk with this urban growth across our catchment? I would just like to show you some photographs of the landscapes, the plants and the animals that live on the volcanic plains and in the grassy eucalypt woodlands of the Merri catchment. These species also occur to the west of Melbourne and are also threatened by the growth in the west. We still have kangaroos in the suburbs, but for how much longer is a moot point. Even echidnas find their way down along the Merri Creek. Some of the birds are ground-nesting birds and have a lot of trouble with cats and foxes.

**Ms GREEN** — What was the first bird?

**Ms McGREGOR** — Horsfield's bronze-cuckoo, which is a migrant. It comes in spring but not to nest — it puts its eggs in other birds' nests as a cuckoo and then goes north for the winter, as all people do! The growling grass frog is an endangered species. That is a beautiful hawk moth. A lot of the grassland species are small. You have to get down on your hands and knees and look very closely to appreciate the flowers and the insects. These flowers are called lemon beauty-heads. That is the Merri Creek itself and the Merriang area. The basalt rocks are an important habitat as well as a very important landscape feature. These are the ancient eucalypt red

gum woodlands of the northern plains. The golden sun moth is another endangered species. There is the Merri Creek showing its rocky escarpment, the basalt rocks, but in the background is industrial development happening very rapidly in the Campbellfield-Somerton area. That is the damselfly through this area. That is the dianella with a native bee; that is not your honey bee, the European species, this is a native bee.

**Ms HARTLAND** — Great photos.

**Ms GREEN** — Yes, they are gorgeous.

**Ms McGREGOR** — They are swamp wallabies, the solitary species. They are smaller than kangaroos. They do not like being chased by dogs; they tend to disappear fairly rapidly from suburban areas. That is the blue devil. The flame robin is a seasonal migrant; it comes down from the mountains in the winter. A lot of them move down along the Merri Creek valley and even further southwards; some of them migrate across to Tasmania for the summer. They find the Merri Creek valley is an important north-south corridor for their movements. They are typical landscapes. That is the white-fronted chat, another ground-dwelling bird. These natural communities have been vastly depleted since European settlement. The volcanic plains grasslands occur across a lot of the Merri Creek's upper catchment and used to occur from there westwards as far as the South Australian border — so a vast and extensive ecosystem — 95 per cent of that has been lost since European settlement. There is only roughly 5 per cent remaining, and a lot of that is not in good condition. Similarly the grassy eucalypt woodlands have been extensively cleared. Many of the plant and animal species that are found in those communities are endangered or threatened with extinction. The management committee considers that we should not be sacrificing any more of these endangered communities to urban development.

This slide summarises our concerns about the process associated with the urban growth boundary revisions to date. Firstly it shows the rushed time lines, which have not provided enough time, not only for community consultation and agency input but also for the consultants actually doing studies and the planners involved in producing the reports associated with the revisions. We consider that the need for expansion of the growth boundary has not been adequately established, and in fact the expansion is counter to urban consolidation policies in Melbourne 2030. We find that there is inadequate information about biodiversity that has been available or collected for this process. There are a number of limitations in the information noted in the consultants' reports to the Growth Areas Authority or to the Department of Sustainability and Environment, and also in our submission to your committee.

We understand the Growth Areas Authority is commissioning surveys this spring-summer season, which is the appropriate time to be looking at native vegetation. We think the results of these surveys are needed before the relocated urban growth boundary is finalised and the rezoning occurs.

My final point is there is a lack of environmental assessment of matters of state or regional level significance because all the focus has been on matters of national environmental significance under the strategic impact assessment under the Environment Protection and Biodiversity Conservation Act.

We make these points in our submission. We consider that the relocated urban growth boundary should avoid environmentally sensitive areas — for example, the eastern part of the upper Merri catchment. I will show you a map about that soon. We think that both within and beyond the UGB significant biodiverse sites should be protected and linked. We consider that offsets for any vegetation removal should be located in

the northern area, rather than, as proposed, in the new large grassland reserves out to the west of Melbourne.

The Merri Creek Management Committee has produced an upper Merri biodiversity network plan, which is shown here. It identifies sites where conservation values should be protected. They are the green areas on the map which extend beyond the urban growth boundary. The urban growth boundary proposal is shown in a dashed hot pink colour. There is also the Merri Creek itself, the stem is shown in dark green and the tributaries — Tony?

**Mr FAITHFULL** — They are the links.

**Ms McGREGOR** — The links are in a darker green as well. They are the areas we consider have important biodiversity values and should be protected from urban development.

This biodiversity network plan was based on protecting important biodiverse sites. There are nodes protecting waterways, flood plains and wetlands, plus buffers to those sensitive areas protecting habitat connectivity between nodes, ensuring there are links for wildlife movement between the nodes and beyond the catchment to other significant natural areas, and encouraging complementary biodiversity management on adjacent land so a lot of plants and animals can move beyond those protected areas, and back again if necessary. We recommend that land within the biodiversity network that we have proposed should be rezoned to a conservation-orientated zone and not to the urban growth zone.

Just a note here about connectivity — habitat connectivity is vital to maintaining ecological sustainability of conservation reserves. If conservation reserves are just islands in a sea of hostile land uses, they gradually lose species over time. This has been documented in a lot of scientific research around the world. That is one of the important parts of why we call it a biodiversity network plan — it must be a connected network, and that has been overlooked in the planning for this urban growth to date. In particular the outer metropolitan ring and the E6 are likely to cut across six strategic habitat corridors which have been identified in this document — the *Merri Creek and Environs Strategy* — which has been produced recently by the Merri Creek Management Committee.

We suggest that a clear commitment to retain and enhance connectivity is required in strategic planning for urban growth, particularly in the design of transport corridors — so it is not just the strategic planning stage but the more detailed design stage. And we recommend that a minimum 2-metre-wide protected corridor be aside on each side of Merri Creek — —

**Mr FAITHFULL** — It is 200 metres.

**Ms McGREGOR** — It is 200 metres, sorry. It is to be set up on each side of the Merri Creek, which is a major tributary of the Yarra and other major waterways, of course, around Melbourne to protect and restore habitat, again as a habitat link particularly.

As I mentioned, the Merri Creek corridor is a vital north–south link across Melbourne from the Dividing Range down to Port Phillip Bay for birds like the flame robin and for fauna seeking refuge from drought and other impacts of climate change. They are

increasingly moving into the metropolitan area, which is in fact somewhat better watered than some of the dryland areas in the further north of the state.

If you look at the reports for the urban growth boundary expansion, there are a lot of areas marked as significantly constrained land or not for urban development. In fact in the northern growth area about 38 per cent is shown as non-urban, but that does not mean it is going to be protecting biodiversity or environmental values. That land includes flood-prone land, retarding basin areas, quarries — particularly the north quarries in this case which are shown in brown on that map, and the quarry buffers in the lighter stippling — as well as utilities like sewerage treatment plants, major terminal stations and so on. Only a very small proportion of the non-urban land is in fact available for biodiversity protection. As you see there, it is only the light-green areas, and that includes land that does not have any remnant vegetation. It includes land that has been designated as constrained because of its landscape values but not necessarily its biodiversity values.

Another point we would like to make is that the Merriang area, which is in the north-east of the northern growth area, has received significant investment from the community and from state and commonwealth governments in biodiversity conservation and management in recent years, and this is likely to be completely swallowed up by urban growth. Land-holders in this area have participated in a local biodiversity action plan, and a number of grant programs have assisted in funding works. The project has also produced publications like a wildlife and habitat guide for land-holders and a guide to the plants of the area. This is all likely to be wiped out with the urban growth that is proposed, but we are suggesting that the Merriang area should instead be retained as rural land.

Another point we would like to make is about the major freight logistics terminal east of Beveridge. There are significant environmental impacts from designation of that vast area for a future freight logistics precinct, which we understand will not be constructed for at least 20 years. There are important biodiversity values in that area. In addition, we are concerned that management of the land and its biodiversity values over the next 20 or more years will be somewhat prejudiced by its designation as a freight precinct, and that freight precinct will have extensive impermeable surfaces and relatively intensive development which will have a lot of offsite impacts on waterways as well as the immediate clearing impacts within the site. We consider that that area should not be included within the urban growth boundary and should be subject to more specific analysis.

The last major group of points in our submission relate to impacts on water and waterways. You are probably well aware that urbanisation leads to degradation of water quality and increases in the volume and frequency of run-off. These impacts have effects on stream health, erosion of the channel and on species like the endangered growling grass frog, which has important qualities in the upper Merri catchment. Also in the Merri catchment we have specialised salinity-adapted plant communities growing along the waterways which will be threatened by the changed flow regimes and water quality from urbanisation.

Very little attention, if any, has been paid to date to those impacts in the strategic planning process for urban growth. We consider that more stringent requirements are

needed to protect both water quality and the flow regimes that should be applicable not only to residential development, which is the case now — but the standards need to be improved for residential development — but also to industrial and business zones and major road development.

In conclusion, we consider that many aspects of the environmental impact of the proposed UGB expansion have not been adequately assessed. Ecological information is incomplete and impact mitigation measures are inadequate. The Merri Creek Management Committee has identified sites of conservation significance, particularly in the eastern part of the northern growth area, that should be protected from urban development and linked to retain their flora and fauna values.

**The CHAIR** — Tony, do you want to say anything?

**Mr FAITHFULL** — No, Ann was making the presentation. I will answer questions with Ann, if there are any.

**The CHAIR** — Thank you for your presentation. Before I hand over to the committee, is it possible to get a copy of those slides for the office?

**Mr FAITHFULL** — Absolutely; will I hand them over now or would you like me to email them?

**The CHAIR** — Can we get them electronically on the memory stick?

**Mr FAITHFULL** — Absolutely.

**The CHAIR** — Thanks very much. I will throw it open to questions.

**Mr HODGETT** — Ms McGregor, in your submission you talk about the consultation process, and your slide also talks about it being rushed and there not being enough time. What do you mean by that? Is that with your group or consultation in general? Can you tell us what consultation took place and why it was not adequate?

**Ms MCGREGOR** — From memory the announcement was made in November or December last year. There was a short round of submissions over Christmas and January, and meanwhile I assume that the consultants were working furiously to collect the data — I am talking about the environmental side of things now — for the strategic impact assessment for the commonwealth, and also, I would hope, to inform the state government planners. Then there were submissions on the draft strategic impact assessment. It was a very short time line. I think there might have been three or four weeks, but the information was not available in detail to the community groups until well into that period. In ‘community’ I include the Merri Creek Management Committee and also local councils. Member councils have certainly expressed concern at the pressure they have been under to write quite lengthy and important detailed submissions to this process.

With the release of the draft strategic impact assessment there was yet another round of submissions to the state and to the commonwealth minister for the environment, and this submission to your committee has been the latest in a series of submissions all within an 11-month period, so it has occupied a lot of people’s time over that period, both voluntary and paid time.

**Mr GUY** — I do not have any questions, but thank you for your presentation. It is very valuable and very interesting.

**The CHAIR** — I appreciate your feeling about the submissions, and I apologise for the short time, but because we have this reference we have had to cancel another inquiry to fit this one in.

There has been a lot of pressure on our staff and the committee itself to allocate extra time, but we are trying to give as much opportunity as possible to people to present. We will be here again on Thursday all day.

**Ms HARTLAND** — I am particularly interested in the issue about surveys. One of your slides talks about the need to do them over several seasons. Am I right?

**Ms McGREGOR** — Certainly in the spring–summer season. With the announcement last November–December it was too late to do the surveys then, so they were not in fact done in time for the strategic impact assessment and so on to be — —

**Ms HARTLAND** — So you would see that as a fundamental problem in terms of the Merri Creek.

**Ms McGREGOR** — Yes.

**Mr FAITHFULL** — There are areas of the Merri Creek, particularly the north-west of the catchment, that have never been surveyed, compared to some other parts which have been well surveyed. We do not see that the survey work that has been done has addressed that. The consultants had too short a time and no access to private land in that area.

**The CHAIR** — Are you talking about beyond Cooper Street and further up that way?

**Mr FAITHFULL** — Yes, and to the west of the Hume.

**Ms McGREGOR** — But even to the east of the Hume no recent surveys have been done, so it was all a desktop compilation of existing information.

**Ms HARTLAND** — Can you maybe explain what you see as the hazards of having only desktop reports?

**Mr FAITHFULL** — The extent of rare species has probably been underestimated and significant communities have been overlooked. I would imagine that is probably the main hazard. The timing of surveys that have been done outside the spring period means that a lot of the native plants are bulbs. They come up during spring, die back and are invisible during periods outside of that, or unidentifiable. Quite a lot has happened in the intervening 10 years in terms of our understanding of which species are rare and significant in their taxonomy. For example, dianellas — flax lilies — have been analysed quite thoroughly now but were not 10 years ago. If they were included in desktop studies from 10 years ago, those studies would not necessarily have recognised the species that are now recognised as being significant, because of the taxonomical work that has been done.

**Ms HARTLAND** — Can you talk a little bit about the growling frogs? I know nothing about them. I presume they make a very odd noise and that is why they are called growling frogs.

**Ms McGREGOR** — They do growl.

**Ms HARTLAND** — But these are very endangered.

**Ms GREEN** — They are like Kenny!

**Mr FAITHFULL** — That is right. They make a call a bit like a motorbike. I am not going to make an imitation of it. It is a bit like a motorbike revving up. It is quite a distinctive call once you have heard it. They are a relatively large frog. They are about so big, and they have declined in numbers dramatically over the last 20 or 30 years. There are, however, a number of populations in the Merri catchment. North from O'Herns Road, just north of Cooper Street, is probably the most significant southerly population, but there are a number further north from there at Donnybrook

Road. It is not in our submission but we documented that in our submissions to the federal inquiry — the strategic impact assessment.

**Ms McGREGOR** — It is listed as a critically endangered or endangered species under the EPBC act. It should be on the flora and fauna — —

**Mr FAITHFULL** — It is also under the act. It relies on certain flow regimes in the creek and certain types of breeding habitat that can be affected by changes to flow regimes. It also moves across land between these breeding colonies to find other mates to breed with. It is not just the creek itself; it is the land adjacent to the creek which is quite important for their movement and for their ongoing survival. Of course water quality is a critical factor for their survival and breeding as well. Urban development could quite reasonably be expected to have an impact on the growling grass frog unless plans are put in place to make sure that water quality is not changed significantly and flow regimes are kept.

**Ms GREEN** — Thanks for your advocacy for the Merri Creek for a long time. I will declare my interest: I was a member when I lived further to the south, and I probably should not have let it lapse.

I have been on the public record with my concerns about the E6. I know that the Merri Creek Management Committee was involved with the community reference group in relation to the Craigieburn bypass — the Hume bypass — when that went through. I also know it was involved with the Aurora development, the sewerage treatment plant and the third pipe there, so I am just wondering what the Merri Creek Management Committee has learnt and what have been the outcomes following the management structures that were put in place to deal with run-off and the egress and access of the endangered species in that transport corridor, and also the stormwater run-off and the sewerage treatment plant at Aurora, if you are able to answer that. It seems important when we look to the future.

**Mr FAITHFULL** — In relation to the freeway, the Craigieburn bypass hearings did result in quite a significant improvement in commitment from VicRoads and practice in terms of installation of water quality treatment wetlands adjacent to the freeway. The panel commented at the time that it was surprised that VicRoads had never done any monitoring to prove that these were effective, and as far as I know VicRoads still has not done any monitoring to prove they are effective. They rely quite heavily on being maintained, so you can imagine that they fill up with silt and sediment — tyre fragments, oil and grease from cars, brake linings and so on. The stuff that flows off roads can be quite toxic. To my knowledge there has been no maintenance on those wetlands along the Craigieburn bypass at this stage, and it would be quite crucial to ensure that there is in place a maintenance regime, and that there is a demonstrated performance coming out of those wetlands that VicRoads committed to. I would be keen to see, if the E6 and the OMR go ahead, a similar or better provision made for that sort of stormwater wetland.

One thing we found with the Craigieburn bypass was that there was very little commitment given through VicRoads and through the hearing process for engineering solutions to avoid cutting habitat corridors. It was left to the later design stage and mostly overlooked. I think it is important that those matters are dealt with early and that specific briefs are given to the designers to make sure that specific measures are taken to not cut habitat corridors or to have underpasses or whatever is necessary designed in.

What was the other part of your question?

**Ms GREEN** — The sewerage treatment plant, because you made comment about the proposed sewerage treatment plant at Kalkallo, and I know there is the one at Epping North. I wondered

whether you had had any feedback about any new nutrient build-up in the Merri Creek since then and what that might mean for the Kalkallo one.

**Ms McGREGOR** — It is too early for that.

**Mr FAITHFULL** — Yes. I do not think that has started discharging to Merri Creek yet, as far as I am aware, from the Aurora plant.

**Ms GREEN** — I am wondering if it is proposed at all, because I think that with the third pipe — —

**Mr FAITHFULL** — Initially it was not, but I think they have found that their water balance studies do not add up, so they are expecting to have to discharge.

**Ms GREEN** — Is that because the population has not been sufficient but then it will be?

**Ms McGREGOR** — In wintertime they will have a surplus of wastewater to deal with, so some might discharge to the creek.

**Ms GREEN** — If you have any additional information for the committee, that would be great.

Just finally, with the surveys that you were talking about before, I am stretching my memory. I know there was a stream flow management plan done for the Plenty River and the Diamond Creek. Has there been one done for the Merri Creek? If there was, would not some surveys have been done in that on the water?

**Mr FAITHFULL** — I do not think a stream flow management plan as such for the committee — —

**Ms GREEN** — Because there are no diverters.

**Mr FAITHFULL** — A stream flow management plan tries to define what the environmental flows are for a waterway — what its natural flow levels would be. Yarra Valley Water carried out some studies in relation to the closure of the Craigieburn sewerage treatment plant in terms of flows — not environmental flows as such, but what flows would be beneficial for the organisms currently in the Merri Creek, as opposed to some artificial natural or some concept of natural which we no longer really know for the Merri Creek. That is probably the best report we have in terms of looking at natural flow regimes.

**Mr NARDELLA** — I want to commend you on your presentation. It was very good.

**Mr FAITHFULL** — Thank you.

**The CHAIR** — Thank you very much for your excellent presentation. You will get a copy of the transcript in due course to proofread. Thank you very much.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witnesses

Environment Victoria

*Mr Andrew Booth* (affirmed), and

*Mr Fraser Brindley, Production and Consumption Campaigner* (affirmed).

**The CHAIR** — Welcome, Mr Booth and Mr Brindley, to the committee hearing today. Basically you are protected here by parliamentary privilege as provided for under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. In other words, whatever you say here and whatever is written in the Hansard transcript cannot be used against you, and the same applies when the committee meets in other states and territories.

The process is that we give witnesses 20 minutes to address the committee and put their case, and then we will have 10 minutes of dialogue and questions from members of the committee. I invite you to provide your full name and a mailing address where the committee can send the Hansard transcript of your evidence.

**Mr BRINDLEY** — My full name is Fraser Charles Brindley, and the mailing address is 17 Mount Pleasant Road, Preston.

**Mr BOOTH** — My full name is Andrew Booth, and the mailing address is 6/26 Collier Crescent, West Brunswick.

**The CHAIR** — I invite you to commence your presentation.

**Mr BRINDLEY** — I will lead off and touch on some of the more general planning issues. My role at Environment Victoria is most often around waste issues, but I do delve into planning issues. Then Andrew will touch on biodiversity and nature conservation issues, which is his speciality.

Environment Victoria sees the decision or proposal to expand the outer urban growth boundaries as essentially a question of what sort of city we live in. As you have probably seen from our submission, we have pointed out how clearly and absolutely the proposal refutes the government's own policy, Melbourne 2030, which still sits in the Victorian planning policy framework as the central policy for metropolitan development. The first two directions of Melbourne 2030 — to have a more compact city and better management of metropolitan growth — are really the opposite of the expansion of the urban growth boundary.

In making that decision the state government is really making a decision about what sort of housing it wants to support, but more importantly, I think, what sort of housing it wants to subsidise. I circulated a table yesterday which had an error in it, for which I apologise; I have fixed that error, so, Chair, you might want a revised copy.

**The CHAIR** — It has been circulated to us.

**Mr BRINDLEY** — You have the new version. That is great.

**Ms GREEN** — I have two in my hand.

**Mr BRINDLEY** — Sorry. The one with the lower shortfalls is the correct one.

**Ms GREEN** — The one with 27 489?

**Mr BRINDLEY** — Yes.

**Mr HODGETT** — I picked that up.

**Mr BRINDLEY** — Well done. I picked it up when I got home last night and thought I had better fix that for your benefit.

What this table is showing — using three different figures for the total up-front infrastructure cost coming from an extrapolation of the statements made by the

Minister for Planning himself, some more explicit figures from the New South Wales government and some very explicit figures from Trubka et al under the banner of Curtin University and Parsons Bickerhoff — is basically what the up-front infrastructure cost is for outer-urban development. We all know that is high. There are different figures as to how high it is, but under any scenario the proposed development figures would see Victorian taxpayers outlaying a huge subsidy for this outer-urban expansion.

We see urban expansion as having some very fundamental problems, and the fact that it is being subsidised is really a slap in the face to Victorian taxpayers. As I said, it undermines Melbourne 2030. It also undermines the central planning principles of trying to organise planning along the best and most efficient routes. That is what Melbourne 2030 sets out as well, those two points that I alluded to earlier — that in the case of a more compact city sustainable development should take full advantage of existing settlement patterns and investment in transport, communication, water and sewerage and social facilities in effect existing infrastructure. The better management of metropolitan growth provides growth close to efficient and effective infrastructure. Making use of existing infrastructure is an essential component of Melbourne 2030 which is being ignored by these proposed expansions of the outer urban growth boundary and is being ignored at huge cost to the taxpayer.

We would suggest to the committee that in the first instance outer urban growth boundaries should not be expanded because there is plenty of capacity, and that has been shown in numerous studies. Melbourne 2030 talks about housing another 1 million people within the first round of urban growth boundary expansions. Other reports — one most recently commissioned by the City of Melbourne and the Department of Transport — shows that around 840 000 people could be accommodated along tram and bus routes using only 3 per cent of the urban area. A report by Buxton and Scheurer at RMIT showed the capacity for the existing urban growth boundary basically to accommodate all of the additional housing that is expected just by increasing housing densities.

There are many ways of looking at it, all of which involve high density within the existing urban growth boundary, which obviates the need for expansion of the urban growth boundary, and can be done at much less cost to the Victorian taxpayer. I might pass over to Andrew now to talk about the more direct environmental impacts of the expansion of the urban growth boundary.

**Mr BOOTH** — I am a longstanding volunteer with Environment Victoria on native vegetation issues. The biodiversity impacts of the urban growth boundary expansion will be substantial. As you might have heard already, we have around the urban fringe of Melbourne a diversity of threatened habitats and species. These include two of the most endangered ecosystems in the country, being volcanic plains grasslands and plains grassy woodlands. We also have important populations of state and nationally listed grassland flora and the nationally endangered southern brown bandicoot on the south-eastern edge of Melbourne. This nature on our doorstep is integral to the character and the livability of Melbourne. It keeps urban dwellers in touch with nature. You have examples of new grassland reserves which are a community-focused educational resource. This is something which is really valuable.

The UGB expansion will involve the clearing of up to a massive 5000 hectares plus of endangered grasslands, especially in the west and to some extent in the north. This

includes many irreplaceable high-quality grassland remnants. If you look across the state, this is at least 8 per cent of that ecosystem, and it could be substantially more depending on the inaccuracies in current mapping. That is a really big impact.

There are also impacts on other threatened ecosystems elsewhere around Melbourne. Much of the grassland has not even been surveyed — the grasslands proposed to be cleared — so we do not know the full extent of the impacts before decisions are going to be made. In comparison to the 5000-plus hectares that are going to be cleared, only about 1200 hectares are in proposed non-urban areas inside the expanded UGB, and for much of that the protection mechanism and the land status has yet to be decided; it is uncertain.

To the state government's credit they are proposing substantial new grassland reserves further out in the Werribee Plains and a grassy woodland reserve in the Whittlesea green wedge. These will be important for dependent species in providing a viable area of habitat, but it is wrong to base these grassland reserves on large-scale clearing. The state government is proposing that only happens because of the offsets from the clearing. The grassland inside the urban growth boundary is different and has site-specific values which cannot be traded off with the proposed grassland reserves. To give an example of that, there is a small grassland site in a proposed development area near Caroline Springs which has a really rich diversity of rare grassland annuals not found by the survey in the proposed grassland reserves. Inside the urban growth boundary you have different sorts of grassland. It is heavier soils plains grassland compared with low rainfall grassland in the reserves, so it is not like for like. We are losing an important part of the ecosystem on our doorstep.

Also, the grassland reserves will provide us with about half, or even less, of the offset compared with what we normally get through development approvals for grassland. We are not implementing our own native vegetation framework policy; it is undermining that. The state government is proposing to leave more detailed ecological assessment to the individual urban precinct plans on a piecemeal basis, and it has proposed prescriptions in an attempt to conserve nationally listed species. But these prescriptions will do very little to conserve high-quality grassland, and they are not an ecologically sound basis for the grassland species they are trying to protect.

Given the impacts on nationally listed ecosystems and species, the UGB expansion has to be assessed under the federal Environment Protection and Biodiversity Conservation Act, yet when you look at the assessment and at the survey which has been done so far it has not met the terms of reference agreed between the commonwealth and the state for assessment under that federal act. If we want to protect this fantastic nature on our doorstep, the best way to do it is to retain it in the existing green wedge and have a conservation reserve network based on conservation agreements with private land-holders and the public purchase of core reserve areas.

The UGB should not be expanded as proposed. Where we do have urban expansion in the existing growth corridors — hopefully — then it is critical that a strategic conservation network is identified up-front early in the planning process based on adequate ecological survey. It is no good waiting for the individual detailed precinct plans; that is far too far down the planning process. The development pressures and

the land to be developed will already be set in place. You need to identify your reserves early on.

**Mr HODGETT** — Andrew and Fraser, thanks for your submission. You mentioned Michael Buxton's study, and you also mentioned the public transport and the 3 per cent along the tram and bus corridors accommodating 840 000 people — —

**Mr BRINDLEY** — Yes.

**Mr HODGETT** — What other feedback have you heard about those sorts of proposals, given one was only out in July this year so it is not that old? What sort of feedback or response have you heard from around the traps to those sorts of ideas or concepts?

**Mr BRINDLEY** — I have a history in local government, and this is the sort of thing that has been talked about in local government circles for years, so it is probably hard for me to see it clearly. I have not heard from anyone who has said it is a silly idea. I do not think Melbourne 2030's principles were ever really a point of great debate, but there was a lot of political furore around the implementation — sometimes with good reason, sometimes misguided.

I think a lot of that has gone now and people see that there are a lot of urban areas where you can do the five, six, seven — and this is mostly what this is about. I think they talk about an upper limit of eight storeys, or something to end — your medium density, not your big 14 storeys. They accept that as something that makes sense. This study is along mostly tram and train routes, but those are often, obviously, where retail strip shopping centres are. I can only go from the public response when this report got a bit of a run in the press. It was pretty much, 'Well, that is sensible'. It is much less reactionary than the 14-storey towers popping up higgledy-piggledy. It is much more consistent, and it is certainly smarter than just sprawling out, or at least sprawling out further than was first envisaged, not to mention the fact that it is cheaper.

**Mr HODGETT** — It is a good submission. Thank you.

**Ms HARTLAND** — I am particularly interested in the issues around the grasslands in the western area. I preface this by saying that I am no grasslands expert; I am just starting to learn about them. I have had an opportunity to go out to various people's properties on the basis that they believe that they have no grasslands on their properties. It was really interesting to see what they actually did have. Can you talk a bit more about your feelings about the reserve and what is actually going to be lost? The other matter I have I have asked a few people about but I have not been convinced about is that I am told that it is possible to transplant grasslands. Nobody has been able to show me any peer review documents that show that it can be done and that five years later the grasslands are still surviving or growing.

**Mr BOOTH** — On that point, there have been trials in restoring grassland areas. For small areas it is very expensive, I think hundreds of thousands, maybe \$1 million plus, for a few hectares, and for only some of the grassland species, to restore them. You cannot transplant grasslands. When we clear the remnants you lose the biodiversity which has evolved at that site. When looking at the proposed grassland reserves, a lot of those are species poor, mainly wallaby and spear grass, which have resulted from heavy grazing and weed application in the past, so there is meant to be a need for a lot of restoration of those areas. There are small species-rich areas in it, but it is a different grassland type compared with a lot of the grasslands on the fringe of Melbourne. You have more of the kangaroo grass, the iconic grassland species, on the edge of Melbourne. You have a site-specific mix of species. So that small grassland site I mentioned in the proposed development area near Caroline Springs, it has a mix of rare annual grassland annuals, and you just cannot find a replacement site for that.

We had grasslands, Victorian prairies, stretching from Melbourne nearly to the South Australian border at the time of European settlement. There is only a tiny percentage left, well less than 1 per cent when we are talking about the species-rich sites. So each of the species-rich sites is really priceless. We need a conservation network across the landscape to really protect that diversity of rare plants and some of the fauna, like the striped legless lizard and fat-tailed dunnart. Grassland reserves are great for providing large areas of viable habitat but your valuable grassland sites are kind of dotted across the landscape, a lot of them around the fringe of Melbourne. There is a big chunk here and these are all the sites out there.

**Ms HARTLAND** — One of the issues that came up repeatedly when I went out to have a look was weed control, because there are a lot of introduced species. Are you aware whether any costings have been done for what it would cost to actually do the weed control that will be required in the reserve?

**Mr BOOTH** — I have had opinions expressed from an ecologist who was involved in surveys that the real costs of managing those reserves have been greatly underestimated. The cost of securing the reserves — public purchase and management — is to be funded through offsets, but much of that cost will go into the actual purchase of the reserves. Only about 20 per cent of the offset return that we are getting actually comes through management to improve the grasslands. Most of that return comes through securing the reserve and stopping some of the inappropriate grazing or weed application which has happened.

**The CHAIR** — I have been involved in the railway reserves and preserving the grasslands along there and changing the method of treating them. We fenced off certain areas in Tottenham and St Albans, right along, to establish those reserves.

**Mr BOOTH** — Yes. That is important.

**The CHAIR** — To meet and observe the maintenance of it has gone down. You mentioned establishing Caroline Springs, which is also in my electorate, and the grasslands there. With the long-term maintenance, the councils might not be able to maintain it. Which authorities are going to look at it? Melton council has set up Mount Derrimut; they bought the land to offset grassland for development sites.

**Mr NARDELLA** — Mount Cottrell.

**The CHAIR** — Yes. Sorry! You are saying that the Mount Cottrell idea of Melton will not allow the species that I have got down in Caroline Springs to be transplanted for survival there or be an offset?

**Mr BOOTH** — No, you have — —

**The CHAIR** — It is a dual question. I said the maintenance of the long-term, and secondly transferring offsets. Because it is in the western suburbs I thought it would be in the same sort of region as the ecology up there.

**Mr BOOTH** — It is different. What is on Mount Cottrell is quite different to what is actually close to Caroline Springs or close to Kororoit Creek. That is the heavier soils plains grassland, and you have a different mix of species according to which soil and locality you are in. That is part of the diversity of the grassland. Sure, some of the species will be the same, but others will be different. Those sites south and north of Kororoit Creek near Caroline Springs are special in themselves, and the Mount Cottrell grassland will not replace those; that is a different sort of grassland, with wallaby and spear grass.

On the question about the long-term management, that needs to be resourced. It needs to be a part of a reserve management plan — the responsibility and the funding for that. If we are having offsets from some clearing in the existing urban growth boundary, that could go to that, but perhaps biodiversity needs to be factored into the growth areas infrastructure contribution — that is one way of funding management of grassland reserves. Wyndham council proposed a developer biodiversity levy as an alternative to offsets. That is important to explore, and also government funding is needed.

**The CHAIR** — Some years back I was trying to establish a campaign for a linear park to be established along Kororoit Creek, starting up in Melton and going to Melton shire right through. Before we had the development that has taken place — at Caroline Springs, Tenterfield, Taylors Hill — basically a lot of that has been desecrated now. There are issues on that. If we had made it a linear park and had the 200-metre boundary, I could see sense in it. Now to me a lot of it has been destroyed. The only section of Kororoit Creek when you look at it now, if you know the area at all, would be the back of Caroline Springs where it joins St Albans and then Deer Park. That is going further down, but further up the subdivisions that have gone on there would spoil it, in my view.

**Mr BOOTH** — When you say ‘up’, do you mean going back towards Melton?

**The CHAIR** — Yes.

**Mr BOOTH** — Because when you get beyond the current urban growth boundary — just beyond — that is where some of the most important grassland sites are. It is not far from or against the creek. Some of those have been partially declared, but important sites still remain. If you go further along the creek, you have got red gum lignum wetlands and other important wetlands sites. That creek very much provides a really important corridor of threatened habitats, which are certainly worthy of a linear park, preferably in the green wedge.

**The CHAIR** — I walked it when I was younger.

**Ms GREEN** — In my Yan Yean electorate I take a great deal of pride in the parks network that it has. It is almost as if the boundary has got the Kinglake National Park to the north, the Warrandyte State Park to the south, the Kinglake–Warrandyte nature reserve to the east, the Plenty Gorge Park in the spine, and then one of the newest parks, the Craigieburn grasslands, is the western boundary. That is something I am pretty proud of and pretty passionate about. I am always looking for opportunities to add to that. I think it gives the area livability and is one of the reasons people actually want to move there. I suppose I just draw your attention to one which I think was a win-win situation. I know particularly people from the environment movement were critical of the urban growth boundary changes that were made in 2005, but one of those that was actually a really good change was in the valley where the Mill Park Lakes development is, that estate there, because there was an addition to the Quarry Hills metropolitan park to fill out the bottom of the valley with some additional housing but the trade-off was to keep those hills as a park. So I am always looking for those opportunities.

You talked about the national biodiversity legislation and international treaties et cetera. I have seen another win-win situation, also in The Lakes Area. It is not just governments that have responsibilities over that but also developers. I was on the planning committee for The Lakes school at South Morang. Dianella and native grasses were discovered on the site. Education-wise it set us back a year in terms of building the school. But what has actually occurred is that there is this fantastic reserve and management in the middle between the two campuses and this great opportunity for study. It resulted in that school getting a UN environment award in its

first year of operation. That is just not something that outer suburban developments or kids in outer suburban schools are ever credited with knowing anything about. I can see your points about opposing the expansion, but I also think there are ways that we can do it that do respect those values and the continuation of grassland and will also mean that kids can understand the importance of our natural environment and heritage.

**Mr BOOTH** — I think Whittlesea council has done quite a good job in setting aside the red gum woodlands as part of new developments. The impacts on the red gum woodlands, the plain grassy woodlands, are not quite as severe as on the grasslands. They are again proposing a substantial trade-off, but the most secure way is really to protect those as part of the green wedge where you have got a continuous reserve. Where we do have urban expansion, limited hopefully, the sort of approach taken at Whittlesea sets a good example.

**Mr NARDELLA** — The Caroline Springs grassland was mooted to become a regional park a while ago. Did you know that?

**Mr BOOTH** — That is part of it. South of Kororoit Creek — that is the bit in the non-urban area. Quite a few of the remnants are north of Kororoit Creek in the proposed development area.

**Mr NARDELLA** — My understanding is that it is the southern part from the Kororoit Creek up to the Western Highway.

**Mr BOOTH** — No, it is not just that. That was the proposed plan.

**Mr NARDELLA** — Yes, that was the proposed plan.

**Mr BOOTH** — But the important grasslands are north of the creek as well.

**Mr NARDELLA** — How many hectares do you reckon there are, Andrew?

**Mr BOOTH** — I cannot give you an exact figure on that.

**Mr NARDELLA** — Because it was never declared, was it?

**Mr BOOTH** — With the EPBC assessment they have identified that this bit south of Kororoit Creek is a non-urban area, about 100 to 200 hectares, but north of the Kororoit Creek is a proposed development area. Even south, on a fair bit of the grassland, is a current development proposal. It is all up in the air. But there is a key cluster west of Caroline Springs and linking in with the creek.

**Mr NARDELLA** — We might need to have a look at that.

**The CHAIR** — Thank you very much for your presentation. We heard a diversity of presentations here today. In due course you will get a copy of the Hansard transcript. Thank you very much.

**Committee adjourned.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October, 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witnesses

Presenting

*Mrs Gila Schnapp* (affirmed), and

*Mrs Esther Caspi* (affirmed).

**The CHAIR** — I declare the meeting officially open and welcome the public to this hearing of the Outer Suburban/Interface Services and Development Committee. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act, the Parliamentary Committees Act 2003, the Defamation Act 2005 and legislation in any other state jurisdictions where the same provision applies. This means all states and territories. Any comments made outside the hearing may not be afforded such privileges. However, the transcript is covered and people who use the transcript may do so. We are ready to take our first witnesses, Mrs Caspi and Mrs Schnapp. Could you provide the committee with your mailing addresses? Are you familiar with the process?

**Mrs CASPI** — Yes, thank you, Chair. My mailing address is P.O. Box 2142, Templestowe Heights 3107.

**Mrs SCHNAPP** — My mailing address is the same as Mrs Caspi. This is a group submission so we will all be under the one mailing address.

**The CHAIR** — You have 20 minutes to make your submission and that will give us 10 minutes for questions and discussion.

**Mrs CASPI** — Thank you, Chair, Mr Sean Coley and the Outer Suburban/Interface Services and Development Committee. In presentation of our submission today, we appreciate being able to fill the cancellation spot. As this only became available at approximately 5.15 p.m. on Monday, 19 October, please understand this public submission has been rushed and we are only lay people. It concerns stakeholders of properties in the suburb of Diamond Creek, township of Yarrambat, shire of Nillumbik, Victoria.

They are: 201–219 Ironbark Road, Diamond Creek, Freeman family, 5 acres; 175–199 Ironbark Road, Diamond Creek, (Freeman family Trust), adjoining 40 acres; 40–60 Pioneer Road, Yarrambat, (Schnapp), may have been referred to as Tanks Corner, Plenty or Diamond Creek in the past planning texts, 14.5 acres — (The above three properties are Freeman-family related adjoining each other and distinctive as a group); 221–233 Pioneer Road, Yarrambat, (Bennett family); and, in our opinion, in support of others in both Ironbark Road and Pioneer Road, Diamond Creek and Yarrambat, who have been in the process with us requesting planning correction.

Thank you for allowing us to present our views on the impact of the state government's decision to change the Urban Growth Boundary. Changing this impacts on all of Victoria, not just the designated growth areas. Our presentation today will concentrate on paragraph (d) of the terms of reference, that of unintended consequences. Any errors, omissions or irregularities relating to the current urban growth boundary need to be first corrected. In our situation the above properties, in the previous Plenty growth corridor, not green wedge, have been wrongly excluded from new growth, and we view expansion of the UGB to be unconscionable unless this is equitably corrected and planning adjusted accordingly.

No families that were in this Plenty growth corridor should be targeted for continued exclusion, (from growth) irrespective of the form it takes, whether it be by township, UGB or other expansion. This is particularly applicable to the above stakeholders, whose lands are known to have had distinctive, attached, urban, reticulated infrastructure and full capacity for residential land use and development until gazettal of the new format Nillumbik planning scheme in June 2000.

Please note from the evidence that reticulated water capital costs for lots 175–219 Ironbark Road — that is, our family — were compulsory and the highest paid, based on being assessed as the greatest residential land value in the 70s. This was despite already having a private commercial supply of water for intensive poultry farming.

Please note the above previous urban residential lands were able to be serviced with all utilities for development, including capacity allowances in the Eltham sewer.

Our latest submissions, including this one, are requesting the combined assistance of planning expertise from qualified personnel involved in the new planning panels and processes — for example, new residential zones, the Planning and Environment Act, Melbourne @ 5 Million — in support of our claims and to share with us any knowledge gaps. We would appreciate this inquiry referring our case to legal town planning and legal water specialists for our mutual exchange of knowledge. You can see examples of our hard evidence in support of our submission. Note the most recent evidence found is that of a 1974 rate notice. This evidence provides the missing link, proving the lands were residential. It was on this basis that the compulsory infrastructure was established and charged for.

What has happened to the above lands, we believe, is against all planning principles. You would not make one group of people pay for infrastructure with the intention of planning for others to use it instead, because we keep being told that infrastructure and planning are not related. Planning was definitely directly infrastructure driven.

The above lands had already paid for growth, directly and indirectly, and should be exempt from any new contributions or growth areas tax. If the lands were zoned correctly in year 2000, they would have been automatically included in the urban growth boundary and therefore not subject to any tax. All stakeholders should have the option of developing their lands directly without the extra burden of a growth areas tax.

We advocate strongly that any new growth areas tax only be due and payable after settlement of that particular land subdivision. Please add subdivision on that line in your books. We suggest that the GAIC is used to contribute to compensation due to landowners who cannot develop their land and provide open space and other amenities to the land zoned for urban development. Were social and emotional impacts studies done and considered on those excluded from the new urban growth boundary? These stakeholders have been described as the losers. Their lands have to be considered on a case-by-case basis.

In conclusion, we reiterate that it is essential for the above lands to be included in the growth corridor in order to recognise their entitlements and urban residential values, not conservation. This would also then enable equitable transfer of infrastructure and associated property rights where, and if, required in order to best achieve new community aspirations, including the green wedge.

Again, we would humbly ask the Premier and relevant ministers to finally meet with us, as stakeholders who will be seriously impacted on, in order to move forward. Corrective equitable actions for our listed lands would not set a precedent because of their unusual and extenuating circumstances. Stakeholders should not be

disadvantaged for protecting the green wedge, nor should they dread the native vegetation and fauna mapping project. This should not be used as a weapon to exclude landowners from the urban growth boundary. Conservation objectives can still be achieved by designation of such within the urban growth or township boundaries.

**Mrs SCHNAPP** — I will continue. The above-listed stakeholders hereby draw urgent attention to the parliamentary inquiry to the fact that the above lands in the suburb of Diamond Creek, the township of Yarrambat, were originally in the city of Heidelberg, then Diamond Valley before becoming the Shire of Nillumbik. They were in the legislated Plenty growth corridor, which you will see on the map. You will see the highlighted line which shows our properties, and Ironbark Road are located directly north of the original historic Diamond Creek township centre.

These previously urban, not rural, residential properties had been back-zoned in error in the year 2000 to environmental rural, which is now rural conservation, the most restrictive of all zones. This is a travesty of justice, denying even land sustainability. The promised closest-fit zone translation should have been Residential One or Township in compliance with the then applicable legislation, and preservation of the lands' attached prepaid for distinctive urban reticulated infrastructure and associated property rights, which are being eroded continually with new laws, strategies and policies. The stakeholders' long-term, legitimate expectations and certainty need to be realised. Stubbornness or failure to act equitably for approximately nine years appears to be occurring on the incorrect basis that the lands were zoned or designated for residential purposes.

**Mrs CASPI** — Were never zoned.

**Mrs SCHNAPP** — Sorry, on the incorrect basis that these lands were never zoned or designated for residential purposes. It has now been proved beyond doubt that this is not the case.

Now, with the government's revision of and imminent parliamentary approval of the expansion of Melbourne's urban growth boundary, the stakeholders hereby request this inquiry draw our serious issues to the urgent attention of the Premier, Mr John Brumby; the Deputy Premier and Attorney-General, the Honourable Rob Hulls; the Minister for Planning, the Honourable Justin Madden; the Minister for Local Government, the Honourable Richard Wynne; the Minister for Community Development, the Honourable Peter Batchelor; the Minister for Water, the Honourable Tim Holding; and the Victorian state government to assist us in the cause of justice and:

- Ensure that the lands are reinstated into the new urban growth boundary or other growth — for example, township-linear expansion — and included in old and new growth servicing strategies;
- Rezone the lands into their year 2000 promised closest-fit zone, residential 1, the equivalent new residential substantial change zone or township zone, as applicable, irrespective of final site-specific land use;
- Ensure equitable planning corrections for any of the above properties if they were discriminatorily or mistakenly treated differently at any time in the past, compared with neighbouring like lands. Proper process did not occur and stakeholders were not notified if this was the case, thereby making them unable to protect their interests.

- For the greater benefit of the community, conservation/green wedge, open space, utility use of or any other old or new aspirations are not legitimate excuses to deny these properties their proper zoning, property rights, entitlements and values as these can still be incorporated by designation of such in the overall development plan of any residential area. Cementing the lands in a green wedge corridor is only taking financial advantage. Please note that the infrastructure was directly tied to the value of the lands and thus developmental certainty. Please ensure the return of the lands' attached distinctive reticulated infrastructure, its full urban capacity and thus distinctive land capabilities.
- Mediate for compensation or remuneration for damages and losses, including the value of the lands between Residential One and conservation, and loss of distinctive attached urban reticulated infrastructure with associated property rights and entitlements if the above actions are now not possible.
- Make planning corrections promptly,

(a) to prevent further impacts from new state, federal or local government legislation, including proposed new taxes, policies and strategies, and

(b) to ensure an accurate foundation upon which the imminent local Nillumbik planning scheme is reviewed can be corrected, adjusted and revised.

This includes Diamond Creek 2020 and the associated new Diamond Creek major activity centre structure plan. We believe this plan is flawed and unbalanced, thus continuing to disenfranchise, disadvantage and materially seriously impact the above stakeholders and others whose lands are also located in the original historic Diamond Creek township centre, Chute Street, Precinct One, its then-associated structure plan and surrounding acreage that was previously the planned growth.

Please meet with the stakeholders to facilitate these actions.

In the back of the book we have given out today is attached evidence. There is an index. They are just examples proving our case, but I would like to draw your attention to a few of these. It is difficult to see — —

**The CHAIR** — If you walk away from the microphone we cannot hear you. You have to stay here, otherwise Hansard will not get your evidence recorded.

**Mrs CASPI** — We need to table this one in particular because the whole basis is we were residential. It has been very upsetting for nine years.

**Mrs SCHNAPP** — The residential rate notice — if you open up to the evidence in the attachment A— it is the first attachment, on page 14. It shows a valuation by the then Diamond Valley shire. The general rate is 2.599 cents in the dollar. There were three other ratings. They were the general rate, the urban farm rate and the farm rate.

**Mrs CASPI** — General is residential.

**Mrs SCHNAPP** — If you turn to page 5 of the submission, it is explained a little better.

This new evidence proves our case beyond doubt. It refers to the rate notice covering 175–219 Ironbark Road, Diamond Creek. The residential rate was defined as general rate. On the bottom of the notice you will see 'R' — status R — which is for residential. There were three rating categories. They were either general, which was residential, urban farm or farm — (that is, rural). The urban farm rate and farm rate was half the general rate, being 1.253 cents in the dollar — see attachment 40 in the submission. The unimproved capital value was \$34 000. Please remember the figures

I am giving you are 1970 values. You can see that the 2.599 cents to the dollar was the highest possible rating.

Attachment 40 shows the general rating, residential, as being 2.599 in the dollar. The residential rate on the rate notice was \$883.66 — almost 10 times the minimum rate of \$90. Please note the net annual valuation of this rate notice was \$2000. The same net annual valuation is shown on attachment 13. You will notice on that table there is an old net annual valuation of the land as rural, showing it as \$500, and then the new net annual valuation is \$2000, as residential. That is a 400 per cent increase. The \$2000 figure was used for two-thirds of the forced capital costs for the reticulated water infrastructure. You will also notice from the table that this particular property paid the highest for reticulated services. It was valued the most in that whole extension.

**The CHAIR** — So we get that on the record, it has attachment 2 on it.

**Mrs SCHNAPP** — This particular attachment shows the location of the properties. You will note where the area is highlighted there is the \$2000 again, confirming that this was used for the net annual valuation for one of the water infrastructure charges for capital costs.

Attachment 16 shows the total cost for the infrastructure for the Ironbark Road scheme. You will note the total costs were approximately \$71 348.24. Consumers were liable for total costs under 310A of the water scheme. Attachment 15A confirms that under section 310A of the Water Act 1958 consumers were liable for total costs. Attachment 7 is when Melbourne and Metropolitan Board of Works took over the Plenty-Yarrambat Waterworks Trust, with all its duties, liabilities and responsibilities.

**The CHAIR** — You have got about 2 minutes left for your presentation.

**Mrs SCHNAPP** — What attachment number is that?

**Mrs CASPI** — It has not got a number on it.

**Mrs SCHNAPP** — That attachment shows the gazettal by the Governor in Council in 1975 of the extension of both the waterworks and urban district. This was necessary before landowners could be charged and the infrastructure constructed.

**The CHAIR** — Is that part in your submission?

**Mrs SCHNAPP** — Yes. All the attachments that I have managed to show today are listed, with an index, in the book that you have been given today. I have only given a few examples. What is that one on the bottom, Esther?

**The CHAIR** — One more and then we will have to wind it up.

**Mrs SCHNAPP** — That is just another one from the gazette. I think we have already shown that one.

**The CHAIR** — Is that it?

**Mrs SCHNAPP** — Thank you.

**The CHAIR** — Thank you very much for all the work you have put in in preparing the submission and presenting the case to the committee. You have done a lot of research and a lot of preparation on it. That is the excellent part of it. As we say, consultation in public hearings does

not necessarily mean that governments — and that applies to all three spheres; local, state and federal governments — actually implement what people say to them. They weigh up the pros and cons of the merits for it, and then find the middle way through it; it all still assists the programs. This is how processes operate. I have been the chair of numerous committees for many years. At the end of the day, a committee makes recommendations when it gets all the information from all the different sources.

**Ms HARTLAND** — I would have to agree with George. I think you have given us a really interesting presentation. I am not sure where this committee can actually take it. I was just looking in your attachments and your last letter between yourself and council was 2003. Have those issues with council been resolved?

**Mrs SCHNAPP** — No. We have not given any of the recent material. All of the recent material has been given to other committees that were mentioned earlier. We thought if we drew attention to it in this submission, you could refer to that information. We did not find out until yesterday that you were only considering what is being presented today and are not looking at what is on the internet. That is why it has been so rushed.

**Ms HARTLAND** — We cannot do that.

**Mrs CASPI** — That did have the latest information and correspondence to council.

**Ms HARTLAND** — Through which committee?

**Mrs SCHNAPP** — It was the Growth Areas Authority.

**Ms HARTLAND** — Your submission to them?

**Mrs CASPI** — Our submission to Growth Areas Authority has all that information, so you can look into that.

**Mr GUY** — I have no questions; I have taken some notes.

**Ms GREEN** — Thank you, Mrs Caspi and Mrs Schnapp, for your extensive research. I suppose I am struggling a bit in terms of the relevance of the research, which I know you have done for reference to this committee, because you talked about section (d) of the terms of reference. But I think it needs to be read in conjunction with the first paragraph of what is before this committee's inquiry about the:

... government's decision to change the urban growth boundary on land-holders and the environment and plans announced by the government to introduce an increased development contribution for land in designated growth areas ...

That is probably the hurdle that you are not able to overcome at this point. But I would ask how far is the subject land that you are referring to from the existing urban growth boundary? How many kilometres is it? I would also ask how far is it from heavy rail and bus routes, and how far is it to the nearest designated main road, because I understand all those are local roads there. I understand what you are saying about water infrastructure, but that is only part of the decision that needs to be made when you are looking at urban expansion.

**Mrs SCHNAPP** — It is not just water infrastructure.

**Ms GREEN** — No. Can I have an answer to how far it is from the urban growth boundary? How many kilometres are the properties you are talking about from the urban growth boundary?

**Mrs SCHNAPP** — It would be one road parallel if you went by — —

**Ms GREEN** — No, how many kilometres — 5, 10, 2, 3?

**The CHAIR** — As the crow flies.

**Mrs SCHNAPP** — It would be 3 kilometres along arterial Ironbark Road where the residential development was originally planned.

**Ms GREEN** — No, from the current urban growth boundary, because if you are saying it should be included, I think my understanding is we are talking about a big leap, but if you can say — and it is important that you can say — how many kilometres it is from the current urban growth boundary to the properties that you are talking about?

**Mrs CASPI** — Can we, Danielle, get back to you on that?

**Ms GREEN** — Yes, that would be good.

**The CHAIR** — Get back to the committee on it.

**Mrs SCHNAPP** — It is very close as the crow flies, but I would have to measure it exactly to tell you.

**Mrs CASPI** — A couple of bends, so work backwards.

**The CHAIR** — Thank you very much for your presentation and the time you have put into it, because it is important that we take all views into account in our deliberations. In due course you will get a copy of the transcript for proofreading.

**Mrs SCHNAPP** — We thank you very much for the privilege of being allowed to speak to this committee.

**Mrs CASPI** — And please remember we are lay people.

**Mrs SCHNAPP** — I apologise for the evidence, too, if I did not give it as concisely as I would liked to have done.

**The CHAIR** — That is fine. It is in the written documents and you have spoken to them.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witness

Presenting

*Ms Bev Arnold* (sworn).

**The CHAIR** — Our next witness is Bev Arnold. Welcome to the hearing. Your evidence is protected by parliamentary privilege under the Constitution Act, the Parliamentary Committees Act and the Defamation Act. Whatever you present will not be held and used against you in any defamation cases, but if you repeat words outside this room that might be defamatory, you will not have those privileges. So you have parliamentary privilege here to say whatever you like.

Could you give the committee your postal address?

**Ms ARNOLD** — 11 Cropley Lane, Rockbank.

**The CHAIR** — I try to keep these meetings relaxed with as little formality as possible, understanding that people are not professional submission writers and presenters to a committee. You have about 15 to 20 minutes to talk to us and then a few questions may be asked by the committee.

**Ms ARNOLD** — Mine is reasonably simple. It is a presentation to the inquiry into the impact of the state government's decision to change the urban growth boundary. Last Tuesday there were some very comprehensive presentations made to this inquiry from councils, organisations, environmental groups et cetera, which influenced me in my presentation today to summarise and stress the detrimental issues that land-holders, communities and the general public have experienced in the last approximately 12 months, mainly under terms of reference (d).

I have quoted figures and data from government media releases, growth authority area information sheets, newspaper reports et cetera, and I would be pleased to provide and confirm details of same, if required. I hope I can strongly relate the major issues and concerns of my husband and myself and of many friends, neighbours, landowners and valuable Australians who are still likely — I repeat, still likely — to be affected by the rezone and the GAIC.

Over the 45 years we have owned and lived on our small property at Rockbank we have never claimed on government. We have both worked full time and paid taxes. We have worked hard and outlaid a fair amount of expenditure and blood, sweat and tears on maintenance and improvements. We enjoy our quality of life, value our animals and wish to be able to keep our property. However, we feel rezoning may threaten our ability to keep and enjoy our property in the future.

We have been asked if we want to be rezoned or not. The situation in our area is that we cannot say no, as we certainly do not want to be disadvantaged in the future, and we cannot say yes, as nobody, including the GAA and council, can advise us if we would have possible rezoning to significantly constrained land, quarry buffer zone, light industrial or farm, or even give us an answer to queries on the restrictions/complexities of these zonings. We will request in our next submission that we be consulted and given the opportunity to comment before the planning scheme is finalised. We are aware that some zonings have restrictions — i.e., do not allow alterations to homes et cetera. Some neighbours in this area have in the past few years put significant investments into their homes and are very concerned about the effect of adverse zoning. If we find we are disadvantaged by, say, the quarry buffer zone, or any other rezone, we will be seeking legal advice, as we do not believe our rights should be impinged by rezoning or business. The government has a duty of care to citizens.

For nearly a year now we and other landowners have suffered heartbreak, distress, insecurity, fear, confusion and mental harassment due first to the outer ring road —

the first concept showed the loss of our house and property; not so in a later concept, thank goodness.

On communication and consultation with landowners, landowners have been pushed into attending meetings — expenditure, obtaining reports, presenting submissions — due to the unsatisfactory level of communication and consultation. Public information sessions have not been satisfactory. And what health expense to the community, trying to cope with majors huge concerns like this?

Regarding the GAIC, the possibility of a \$95 000 GAIC upon sale at whatever sale price has been of great concern for nearly 12 months to all likely to be affected. Last Friday, 16 October, announcement of the GAIC being changed and onus on the landowner to an onus on the developer was finally a fair and just decision. We were initially advised this GAIC represented 15 per cent of what we would obtain on sale of our properties. As time went on, from amounts quoted by the government on expected sales figures, this percentage jumped from 25 to 45 per cent. However, a landowner has also indicated that he could, on a forced sale of his property, end up owing hundreds of thousands of dollars to the government and not even having a house to live in.

Developers can now have 16 small house lots to a hectare. They would be looking at an income, not profit, of approximately \$2 million per hectare. When compared with government figures of expected rezoned sale price to landowners of \$225 000 to \$750 000 per hectare, there is a huge difference which justifies that developers pay the GAIC like they have paid development liabilities et cetera in the past and in other states.

Backdating of GAIC to 2005 and advising landowners of their having to pay the GAIC before legislation is proved is absolutely criminal. I am disgusted that this happens in Australia. Many Australians are not versed in government systems and are even unaware of what legislation means; they are easily bullied. Letters received from the GAA on 23 February 2009 states the 'legislation is currently being finalised to introduce the GAIC' That was back in February.

Just a little on land sales, a statement from the Minister for Planning says that history has shown that when the UGB is expanded and the land is able to be developed, property prices can rise up to 10 times in value. Sale prices in our area obtained about five years ago were \$200 000 to \$300 000 per hectare. So it is pretty outrageous to say that that would increase 10 times. He said up to 10 times, but still. Basically present landowners feel that the developers are the only ones who will be able to buy outlay for their properties, especially large holdings. The properties on the outer fringe of the urban growth boundary will no doubt be the last to be purchased, and landowners worry that the time span could be up to 20 years and they will be faced with huge rates and possibly land tax for all of this time. This time span situation is worrying, as landowners have been advised that a good amount of the 2005 UGB land is still unsold and available, as is obviously quite an amount of light industrial land in our area.

In terms of hardship, no landowner should be humiliated by being classified as a hardship case due to the rezoning or the \$95 000 GAIC; unintentional, not accepted.

This could be occasioned by an inability to find a buyer and/or very high council rates.

In relation to council rates and land tax et cetera, council revaluations will bring increased council rates. Will Mr Average-Hardworking-Medium-Pay-Packet be able to afford to pay, or will he be forced to sell? For example, council rates in Werribee on 30 acres prior to the urban growth boundary changes were \$1200; after the urban growth boundary changes they were \$12 000. That was approximately four years ago. That is a huge increase. Also, what about pensioners: will they be able to pay? They have lived there all their lives. They are going to be forced out by high rates. It has got to be checked whether this is now applicable, but in the past if pensioners had more than 5 acres of land, the balance of land was treated as an asset by Centrelink; consequently after rezoning and revaluation by council they may not be eligible even for a pension. They would have no option but to sell, if they could sell. That is finito. I hope this presentation has helped to enlighten the committee about some of the pressures that I have been advised of and that I have experienced.

**The CHAIR** — Thank you for your presentation. It certainly brought some very relevant points out for consideration.

**Ms ARNOLD** — I hope so.

**Ms HARTLAND** — Thanks for the submission. I have a couple of questions. Can you talk about the information sessions that have been run — what you were looking for when you attended those and what you think you actually got?

**Ms ARNOLD** — Right. What I was looking for was information. I realised that rezoning was just a concept and areas were not defined; however, I was wanting to find out what the different zonings would be, because we found out that our land was indicated as ‘significantly constrained’ land. Since then we have discovered that a map the GAA produced shows up that we are in a quarry buffer zone.

I will just go back a little bit, because that information session was in June or July or something. When I went, the person I got put with to talk to was a gentleman who had been grabbed from a local council — I presume a planning department of another council — and he was basically not conversant with the questions I had to ask him. I asked him what constituted significantly constrained land, and he was able to kind of go, ‘Ah, ah, ah’, you know, but he could not tell me.

**Ms HARTLAND** — Was he able to, as we call it, take your question on notice and go away, get the information and come back to you?

**Ms ARNOLD** — He did not offer; no.

**Ms HARTLAND** — Right. And you have not been able to find that information since?

**Ms ARNOLD** — Early on I did have a reasonable back flow of information from the GAA. Then I guess they got swamped with things — information sessions and all the rest — but I could not get an answer from them on that significantly constrained land. Some people who are present here at the moment recently had a talk with them, and they could not find out anything either. I have just learnt, I think, through the session on Tuesday that we will not know for sure until after the PSP goes through whether it is going to be a quarry or anything. No-one could even tell us that. So we have been in this real limbo. If it is going to be a quarry, we are also asking the question: what is going to happen? Is the government going to compulsorily acquire our property to form this buffer zone? It is fair enough that you are not allowed to build dense housing, but

what are they going to do? We have already been under the threat for months early on that the outer ring road was going right through our house. Does that answer your question?

**Ms HARTLAND** — Yes, it does. Thanks.

**Mr GUY** — It has taken 10 months from when this was first announced to the recent changes, which are still I guess under scrutiny as to whether they will be of assistance to land-holders or not. I wonder if you could tell the committee about the personal hardship that you and your family and those around you have faced in that 10 months of complete uncertainty as to whether or not your land would be acquired, as to whether or not you would have to pay this tax and as to whether or not you have any eligibility under hardship.

**Ms ARNOLD** — The major problem with sale if it is rezoned et cetera is that in our little area we are in probably quite a good little position in that we should not experience this, but then again you do not know. Because of this constrained zone that they are likely to put on us, we could be sitting there for 20 years without anyone being interested in buying it. This is why we are anxious, naturally, to know what the situation is. But the people on the outer edges of the zoning are more likely to be affected, because some of the land from the 2005 rezoning is still available — a lot of it, according to what we have been advised. I have not got the statistics, but I have been advised there is a lot.

**Mr GUY** — No, that is true.

**Ms ARNOLD** — Yes, so how long is it before they are going to be approached? I mean the council is going to be valuing. They are going to have, like I said, 20 years of high rates. Put it this way, my husband and I could not. We are pensioners. My husband has had three strokes and three heart attacks. He is not a very well person. He cannot cope with anything like this. So I have had the full burden, and I am trying to soothe, calm him down or get him into the frame of thinking, ‘Hey, we might lose our house; we might have to sell’, which is not a very nice situation to be in, along with a lot of other outside stresses associated. That is the situation. Sorry, was there anything else on your question?

**Mr GUY** — No. I appreciate it.

**Ms GREEN** — In the information that was provided by the committee secretariat to us it says the size of your land is 2 hectares. Is that correct?

**Ms ARNOLD** — No, it is over 2 hectares; it is 7 acres approximately. We have already had some land taken off us from our original for a road — a service road — but we now have approximately 7 acres.

**Ms GREEN** — So in terms of your understanding of developable land, excluding the road —  
—

**Ms ARNOLD** — Sorry?

**Ms GREEN** — If you exclude the road, have you got any waterways or any other sort of features like transmission lines?

**Ms ARNOLD** — No, only perhaps a quarry zone.

**Ms GREEN** — Part of it is a quarry zone?

**Ms ARNOLD** — No, perhaps.

**Ms GREEN** — Right.

**Ms ARNOLD** — I mean we still do not know. We have not been officially advised. We do not know. Perhaps it is a quarry zone, but we have not got any waterways, any electricity poles or anything like that.

**Ms GREEN** — I am just wondering, because the proposals by the government do not apply to lots under 5 acres of developable land. It might be that you are right on the edge of it not applying to you, so that might be something to ask specific advice on.

**Ms ARNOLD** — No, you are saying 5 acres; we have got 7 acres to start off with.

**Ms GREEN** — That is developable land, so if you are talking about road reservations, you are saying there is a road reservation potentially as well.

**Ms ARNOLD** — No, they have already done the road.

**Ms GREEN** — Right.

**Ms ARNOLD** — The road is already there. I just mentioned that. Okay, forget all about the road. We have got 7 acres full stop.

**Mr GUY** — You are clutching at straws.

**Ms GREEN** — No, I am trying to assist the witness, Mr Guy, if you will let me continue.

**Mr GUY** — No, you are not.

**Ms GREEN** — It is just that the proposal is that the GAIC is to apply to land that is less than 5 acres or 2.03 of developable land. Consistent with what Ms Hartland was saying about the questions you have had answered, I am thinking that there are a couple more information sessions before the closing date for public comment — one in Melton and one in Sunbury?

**Ms ARNOLD** — You mean 2 November for public comment?

**Ms GREEN** — Yes. I am just suggesting to you that they might be the specific questions you ask in relation to your land-holding. It might be that you might just fall below whether any GAIC might apply. That might ease some of your stress. I am just suggesting that as a —

**Ms ARNOLD** — I do not think the GAIC is going to really influence our land hardly at all. I mean, okay, it might just defer the potential for developers or whatever to be interested. My husband and I want to stay there anyhow, so we are not really interested in selling. But I am talking in general. My submission was for not just myself — it was for how I have received feelings from other people. We have a strong contingent of Europeans in that area. A lot of them just do not have the ability to be able to express themselves, which comes out in frustrations when they try. So I am trying to make a submission cover my friends. Okay?

**Mr NARDELLA** — Whereabouts is Cropley Lane? Because you have 9363 — that is near Deer Park then?

**Ms ARNOLD** — Yes.

**Mr NARDELLA** — And the buffer overlays the Boral quarry?

**Ms ARNOLD** — Hopkins Road.

**Mr NARDELLA** — Yes, so are you east or west of Hopkins?

**Ms ARNOLD** — West.

**Mr NARDELLA** — The Melton side or the Melbourne side?

**Ms ARNOLD** — The Melbourne side, yes.

**Mr NARDELLA** — All right. And you attended the information sessions at the senior citizens centre at Melton?

**Ms ARNOLD** — That is right.

**Mr NARDELLA** — Okay, and that is where they were not helpful with getting back to you, or they did not even offer to get back to you?

**Ms ARNOLD** — As I said, this guy had been dragged in to help, because there was a huge crowd there. Were you there?

**Mr NARDELLA** — No.

**Ms ARNOLD** — No, there was a huge crowd. It was amazing, because there is all these people wanting information. Maybe they all just came early. I got there early, but it was crowded.

**Mr NARDELLA** — There were a couple of sessions.

**Ms ARNOLD** — The amount of people were struggling to perhaps deal with that. But, I mean, this guy had been brought in without any real knowledge of it.

**Mr NARDELLA** — Yes. So you are in the shire of Melton?

**Ms ARNOLD** — Yes.

**Mr NARDELLA** — Yes, it is in the shire of Melton. You know about the hardship policy in regards to rates?

**Ms ARNOLD** — Yes, but that is just not acceptable, that people who own their own land, who have been on that land for so long and have no chance, perhaps, of selling for 20 years, should be put into the position where they are classified as hardship. It is just humiliating that you even think that. I know the council will cover it and charge huge interest.

**Mr NARDELLA** — Correct.

**Ms ARNOLD** — For 20 years, huge rates and interest — you might as well give your property to the council and walk out.

**Mr NARDELLA** — That is one way of looking at it, but certainly in the time — —

**Ms ARNOLD** — No, it is not my way of looking at it; I will fight.

**Mr NARDELLA** — In the time I have been there, one of the things we did get very early on in this part of the century was a hardship policy from Melton Shire Council, not in these types of circumstances, but in a range of other circumstances where people had got themselves into financial difficulty and councils were foreclosing their properties.

**Ms ARNOLD** — For what reason did they get into — —

**Mr NARDELLA** — There were a number of reasons. People had lost their jobs, people had got themselves into other financial difficulties.

**Ms ARNOLD** — With all respect — and I have said it before — I do not feel that through the rezone or the GAIC anybody should be put into a humiliating situation.

**Mr NARDELLA** — The GAIC has been changed.

**Ms ARNOLD** — I know. I have covered that.

**Mr NARDELLA** — And I appreciate the words that you have said in regard to that. Certainly if people do get themselves into financial difficulties because of the rezoning, there has to be a mechanism, both at the state and local government levels, to help those people, should there not? Or should they just be allowed to flounder?

**Ms ARNOLD** — That is a good question.

**Mr NARDELLA** — Because my view, Bev, is that there has to be some help.

**Ms ARNOLD** — There is no way known they should be in that position to start off with. I am sorry, but there is no way I can accept that.

**Mr NARDELLA** — But if you have a family that has got into financial difficulties for whatever reason — somebody has got sick, there has been an accident — then what you are saying is that there should be no financial hardship policy by any council, by any state government or by anybody.

**Ms ARNOLD** — Not in the case of an accident; by an accident, I agree.

**Mr NARDELLA** — By accident; okay. But it is different in these circumstances.

**Ms ARNOLD** — I will agree if it is by an accident or something like that. I am sorry, but I still will not agree that they should be humiliated because of the rezone or the GAIC. That is my idea. I am sorry, but I will stick with that.

**Mr NARDELLA** — That is fine. You have told us your view.

**Ms ARNOLD** — It is from the heart. I am speaking from the heart.

**Mr NARDELLA** — And I will keep on battling for the little people.

**Ms ARNOLD** — I hope you do. I really hope you do.

**The CHAIR** — Thank you for your submission and presentation. If I was to sum it up, in your case your main concern now is the likely increase in the rates.

**Ms ARNOLD** — As against the chance of people being able to get out of that situation by selling. Like I said, we are not interested in selling, but people will be forced to sell. You have that situation. It goes around in a bit of a circle, doesn't it.

**The CHAIR** — Further to the submission you have made to this committee, I would also, as I said, advise you on the draft legislation. I suggest you make a submission there and that you highlight the points exactly as you have done here. The government and the minister have changed the GAIC fee now, the tax, so basically what we are talking about are the rates. That seems to be the main thing I get from your submission: you are talking about pensioners, people not being able to pay and the rates finishing up being a big burden on their land. That is the issue. There has to be some method for that to be looked at to see how that can be sorted out.

I will finish by saying that I have lived through that in the past in the St Albans area — Keilor, Keilor Downs and Taylors Lakes — when all of that was rezoned and people were facing the same situation that you are. Some of them actually traded off some of their land — 2 or 3 acres — in compensation for the rates and kept the rest of the land. But there is also the position of making a submission on the legislation that is now out for public exposure and comment. Have a look at that and assess some of those situations and how they can be tackled.

The government needs land regardless of which party is in power, because the area is growing. The western suburbs are 20 minutes away from the CBD, so they are very attractive. The public needs land. Dry-land farming has always been out there, and now with climate change that land is more suitable than going to Cranbourne and subdividing there, because that is more arable land for agribusiness. What I am saying is that you have to look at the best solution that you can get, not only for yourself but for the region and the area, because it is inevitable, regardless of who is in power, that the growth pressures are on. It needs to be done with the least harm. You are sitting on land, and what I hear you saying is that you do not want to finish up in 10 years time in the situation that the land belongs to the council because you have not been able to pay the rates, it has foreclosed and you are out on the street. That is what I perceive to be your biggest concern.

**Ms ARNOLD** — Like I said, we only have a small property. The bigger the property, the larger the concern, particularly to people who have farmed that area. For instance, our land was known as the best oat-growing area in Victoria years ago.

**The CHAIR** — Oh, yes. Carlton United. I have seen it.

**Ms ARNOLD** — It is beautiful land.

**The CHAIR** — I think it was about four years ago that the last crop went in.

**Ms ARNOLD** — I could not tell you! I could not tell you when the last crop went in, because they do not grow around the area. There is beautiful land there.

**The CHAIR** — In due course you will get a copy of the Hansard transcript to proofread. Thank you very much for your presentation.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Mr K. Delaney

#### Witness

Sunbury Maribyrnong Valley Green Wedge Defenders

*Ms Arnie Azaris, President, (affirmed).*

**The CHAIR** — You are familiar with the procedure, and you know that you have parliamentary privilege provided by the Constitution Act, the Parliamentary Committees Act and the Defamation Act. Whatever you say here will be recorded by Hansard. You have that protection and the jurisdiction that applies, but not to what you say outside. I am talking about defamation. You are free to say anything here; nobody can sue you and hold it against you. Please give us your mailing address.

**Ms AZARIS** — I am Arnie Azaris, 8 Silky Oak Grove, Sunbury, Victoria.

**The CHAIR** — You have about 15 to 20 minutes to make your presentation. Committee members may then have some dialogue with you — a bit of a question-and-answer session.

**Overheads shown.**

**Ms AZARIS** — The state government's decision to change the urban growth boundary on land-holders and the environment and the plans announced by the government to introduce an increased development contribution for land in designated growth areas will have numerous negative impacts, some of which we will outline in our submission.

In the most serious threat to green wedges since the Steve Bracks government introduced the urban growth boundary to protect them in 2002 this current proposal to move the urban growth boundary will cause major economic and environmental losses, starting with the introduction of curfews at Melbourne's international airport at Tullamarine and allowing the removal of airport overlays. The lion's share is likely to come out of the western plains green wedges, which include some of the state's best remaining native grasslands which once reached the South Australian border. Now less than 5 per cent remain. Ecologists say that their biodiversity rivals Kakadu, yet government is not enforcing clearing controls to protect them.

As you think about things in your own personal world the critically endangered grasslands to be demolished perhaps do not seem important. For the vast majority of your constituents it will have no effect on their personal world either. Indeed, for the day-to-day running of my world demolishing these grasslands will have very little effect, but the important thing is that to demolish critically endangered grasslands is important to the world.

Importantly, even if the urban growth boundary expansion does go ahead, there can never be any justification for demolishing any of the small bits of critically endangered grasslands that lie within the new boundaries. Only a reckless and foolhardy person would do so; someone who does not understand the meaning of 'critically endangered' or who does not care about Australia. These critically endangered grasslands and the fauna that inhabit them are more endangered than orang-utans. To get rid of them in this expansion is one step worse than getting rid of the orang-utans.

The non-urban zones — including green wedge, green wedge A and rural conservation zones — together with the waterways that run through Melbourne and its suburbs, metropolitan parks and other fringe areas of special significance, are critical to the sustainability and livability of Melbourne and must be protected and enhanced to ensure these values are maintained. While green wedge legislation and planning provisions were introduced as part of Melbourne 2030, which added an urban growth boundary, these measures alone do not protect, preserve or enhance

what we value about Melbourne's natural environment. Constant changes to the urban growth boundary, developer speculation and inconsistent planning decisions by councils, VCAT and the state government are constantly threatening, placing greater strain on and rapidly destroying the little native vegetation and habitat for endangered fauna that remain.

The purposes of the green wedges as per the green wedge zone provisions include providing buffers for sand extraction and infrastructure like airports, and sustainable agriculture like sewage treatment and water catchments. These uses are threatened by any encroachment of green wedge land. Increases in Melbourne's population will actually increase the need for these services and infrastructure. Where will they go if we take away the green wedges?

Community groups are losing battles to save local bushland from urban development, but when that bushland is cleared there is a clear cost in greenhouse gas emissions as well as in biodiversity, community health and the other benefits of public open space. The need to protect the city's public open space, green wedges, heritage, the environment and other things that we love about Melbourne — words used by all three planning ministers since 2003 — is clearly stated in Melbourne 2030 in clause 12 of the planning scheme, but there are no provisions to make that protection work.

Although the native vegetation framework and the net gain policy are excellent policies, clearly they are not working to protect the 5 per cent or so of our remnant native vegetation that is left in Victoria. Victoria is this state with the worst record on native vegetation clearing. The Sunbury Maribyrnong Valley Green Wedge Defenders supported the government's Melbourne 2030 plan involving continued development along growth corridors and protection for the intervening green wedges specifically on the undertaking that environmentally significant sites, including remnant flora and fauna habitat, would be protected in the growth corridors and in the green wedges. This has not occurred.

There is ample research, often quoted by various government ministers, to demonstrate the health benefits for people of the availability of public open space for passive and active recreation as well as unstructured children's play and passive contemplation. Indeed green wedges are known as the lungs of Melbourne for several reasons, and the same could be said of Melbourne's Crown and public authority land.

The vegetation on the open space offer a measure of protection that purifies the air by absorbing carbon dioxide and replacing it with oxygen. Farming in the green wedges close to markets and recycled water resources is more sustainable and healthy in terms of reducing greenhouse gas emissions and conserving water, thus allowing for greater environmental flows to be restored to the rivers further afield. Recreational trails, parks and sportsgrounds provide opportunities for healthy exercise in the fresh air.

The environmental losses in the proposed trade-off are far too large and have been given scant assessment by government. They are unjustified, given the need for sustainable consolidated urban growth. We reiterate that the areas for investigation the

government has identified have no strategic basis and are based on flawed policies and beliefs.

The majority of these areas are inappropriate for urban development, as were many of the areas on the outskirts of Melbourne that were devastated this year by bushfires. We submit that there is a need for an ongoing monitoring authority — a green wedges and public lands authority — to oversee the protection of green wedges and public lands. This should cover existing Crown and other public lands in urban as well as green wedge areas, and could also require the provision of open space in growth areas and urban areas currently underprovided. It should have oversight of the performance of councils, state and commonwealth government departments and instrumentalities.

The second impact of the proposed change relates to the cost of infrastructure, costs to taxpayers and housing affordability. This destruction is unnecessary. The government has either misrepresented or miscalculated its land supply figures, and there is enough land within the current urban growth boundary to last until 2030. Increasing the development intensity in urban growth areas would also make housing more affordable. Avoiding unnecessary infrastructure costs and using that money to better service existing areas could improve living standards for all Melburnians.

This slide shows the proposed growth in Hume, which is the area I live in. This is around Sunbury. You can see from the blue shaded area up here on the screen just how large they intend our township of Sunbury to grow. Large areas of that cover waterways and grasslands, lots of wildlife corridors and Aboriginal and European history sites. None of that was investigated on site; there were only studies done through the internet and the resources currently held by DSE. There have not been any adequate studies, not just in this area but in most of the areas proposed for growth.

Closer to my home, if the government goes ahead with plans to triple the size of Melbourne, the town of Sunbury will be lost forever. Urban development is proposed from the township of Bulla near the northern boundaries of Melbourne airport all the way up Lancefield Road to Sunbury, and from there out to the Calder Freeway and beyond, encompassing Diggers Rest and connecting to the development extending from Sydenham along the Melton Highway to Diggers Rest. It will not be long then until plans come forward to develop all the way up the Calder, encompassing Gisborne, Macedon and Woodend. No additional public transport is planned.

**Mr NARDELLA** — What about electrification to Sunbury?

**Ms GREEN** — There is the transport plan.

**Ms AZARIS** — To Sunbury?

**Mr NARDELLA** — Yes; electrification to Sunbury.

**Ms GREEN** — Along the whole line.

**Ms AZARIS** — That is not part of this.

**The CHAIR** — Please let the witness finish first. You will get your chance to ask questions after. Please do not interrupt.

**Mr NARDELLA** — Sorry, Arnie.

**Ms AZARIS** — As part of the government's announced plans no extra public transport is planned for this area and no extra electricity, water or sewage treatment. There are no plans to widen the Calder or Tullamarine freeways. Congestion on our roads will become total gridlock.

**Ms GREEN** — There is an outer ring-road proposed.

**Ms AZARIS** — The effects on Sunbury and indeed on all of Melbourne will be reduced job opportunities and access to work. The removal of airport overlays as would be required to allow residential development in these areas will mean curfews are introduced at Melbourne Airport.

**Mr NARDELLA** — Wrong!

**Mr SMITH** — Do you have to verbal the witness?

**The CHAIR** — Order! Come on; be quiet.

**Mr GUY** — She is trying to make a presentation.

**Mr NARDELLA** — Okay. I will be quiet.

**Mr SMITH** — You just keep going. We are on your side. He is just an apologist for the government.

**Ms HARTLAND** — Ken, that does not help either.

**The CHAIR** — Please continue.

**Ms AZARIS** — The removal of airport overlays, as would be required to allow residential development in these proposed growth areas, will mean curfews are introduced at Melbourne Airport, decreasing tourism, jobs and the economy. There will be an inability to travel to work into the CBD because the roads and public transport will not cope. There will be a water shortage or no water at all — we are currently in major drought; failure of sewerage systems that cannot meet demand; frequent power cuts; increased taxes; and increased cost of living, including food, as greater travel costs and import taxes will apply. Unemployment will rapidly increase, and living conditions will fall.

As successive Premiers and planning ministers have said, the green wedges are the lungs of Melbourne, but with the city already gasping for breath Melbourne's lungs are about to be choked with urban sprawl. This government land grab will be a cancer not just in the proposed new growth corridors but in surrounding areas, where developers are expected to buy up environmentally and agriculturally significant grasslands. Maintaining agricultural land close to the city is critical in maintaining affordable produce to feed the increasing population.

The cost savings and benefits to the state economy should not be overlooked. The Sunbury Maribyrnong Valley Green Wedge Defenders want to see green wedges preserved for a number of reasons, including but not limited to the protection of environmentally and agriculturally significant areas and the preservation of open space around key infrastructure, such as airports.

We acknowledge the importance of sustainable agriculture to the future of the green wedges. While it is desirable for some land — including areas of ecological significance — to be publicly acquired, most of the land in the green wedges is and should remain privately owned farmland. We regard maintaining the green wedges for

future generations as a yardstick for our generation's commitment to developing a sustainable city in a sustainable world.

A map produced by the Catchment and Land Protection Board showing the gross value of agricultural production by municipality indicates that the Yarra Ranges, Casey, Cardinia, Mornington Peninsula, Nillumbik and Hume shires have the highest level of productivity in Victoria, between \$1000 to \$20 000 per hectare, along with only two rural shires — Bass Coast and a shire close to the Murray, presumably based on irrigation. This underlines the significance of agriculture in Melbourne's green wedges and the need for it to be protected and enhanced as the measure of sustainability with regard to water conservation, fuel economy and food miles and greenhouse gas emissions from transport. We are sure the inquiry will have well-informed municipal and other sources to identify the types of agriculture operating in the various green wedges, so we add only the following comments with regard to several of the green wedges on which we have reliable information.

The western plains north green wedge: the western plains basalt grasslands have been derided by pro-subdivision land-holders as brown wedges, a term often used for Hume as well. As I have shown, it is actually one of the most agriculturally productive zones in Victoria, yet people around are calling it a brown wedge. They are also commended by ecological experts, such as the RMIT researcher Sarah Beckesy, as having biodiversity qualities comparable to Kakadu, hence it is particularly important that the agriculture practised in the western green wedges is environmentally sustainable. We note the achievement of Witchmount winery and its 2008 international award-winning shiraz.

We note also the achievements of the Agriwest network, which encouraged the broad-hectare farming of barley, hay, canola, sheep and cattle; and on smaller lots with recycled water — market gardens, lucerne hay, native grass production, olive oil, viticulture, poultry, goats, greyhound and animal boarding along with a thriving equestrian industry, including horse breeding, trotting, agistment, dressage and pony clubs.

This rural industry supports thriving agricultural businesses in Melton and Bacchus Marsh, and an agricultural college. Tourism is linked to viticulture, olive oil industries, the historic dry-stone walls and to farmgate outlets for olive oil, olive trees, pine trees stockfeed and free range eggs. I will not go too much more into the agriculture — there is more in my submission which I will leave for now.

Other important factors include the fact that the green wedges include some of the most fertile land in the state, and it is a great waste to take it out of agricultural production. Development is driving market gardeners onto drier land in the north-east, where it is estimated they need four times as much land to produce the same amount of produce, and where they need to irrigate their properties. This puts pressure on scarce water resources and also contributes to the growing salinity in the region.

To sell out to subdivision will solve the problems of only a small minority, even of green wedge farmers. There is a need to limit the residential subdivision of land in the green wedges, but it may be easier and more profitable for developers to carve up green open spaces than existing brownfields. The natural surroundings, which these

developments despoil or destroy, become their selling point. The city is spoiled by suburban sprawl extending indefinitely outward, while derelict buildings and bomb sites stay vacant because they are not worth anyone's while to develop.

The fourth impact is economic and tourism loss caused by curfews at Melbourne Airport. Proximity to Melbourne Airport is a serious issue. Much of the land now proposed for urban development in this area is covered by an airport overlay. If it is developed, there would be a strong likelihood that the residents moving in would demand airport curfews and thus limit the efficacy of the airport and its operations.

We understand it is fairly basic, good planning to preserve clear land around airports to avoid this kind of conflict such as bedevilled Essendon Airport. Sydney and Brisbane already have airport curfews, and one of Melbourne's strong points has been that it does not, so it is something that people living in that area would really hate to lose — that curfew-free area.

We are disappointed that the state government took no notice of any of the submissions of land-holders who wanted to stay on their land, or of environment groups. It has actually taken nearly double the 22 000 hectares it said it wanted for development. Of the 41 000 hectares to be removed from the green wedges, 26 000 is to be developed. It has not funded or detailed whether and how it will protect the other 15 000 hectares, much of which is designated as unsuitable for development for biodiversity reasons.

It has no stated population policy, though one could assume from recent proposals that it is simply to exponentially increase Melbourne rapidly and indefinitely. Indeed, it advertised for immigrants heavily overseas, in countries like India.

The government has met and responded to developers' requests frequently, yet not with groups like the Green Wedges Coalition, Protectors of Public Lands and Taxed Out, who together represent thousands of their constituents.

**Ms GREEN** — Wrong!

**The CHAIR** — Order!

**Ms AZARIS** — Hume City Council's strategy plans are to ensure the rural outlook surrounding Sunbury be maintained. Indeed, recent studies have shown that there is ample infill and greenfield land within the current Sunbury urban growth boundary to cope with predicted growth for the next 30 years.

As recently as last November the government said the urban growth boundary around Sunbury would not move and that further urban development around Diggers Rest would not be permitted, yet this current proposal to expand the urban growth boundary in large areas to the west and north of Melbourne effectively closes the gap between Craigieburn and Werribee, creating one monster urban jungle.

Many significant Aboriginal and European cultural sites also exist in these areas, though not for much longer. The residents of the north-west and west of Melbourne do not want to live in an urban jungle. This proposal does not provide solutions to the following issues that should be critical to any planning decisions: can we sustain such growth in some areas due to the lack of water, gas and electricity availability and

other environmental constraints? Can we sustain such growth when current infrastructure cannot cope with existing population demands, specifically public transport, roads, electricity, gas and water supply? Why is there not a population policy for Melbourne that limits growth? Melburnians do not want to lose the character and open spaces of their city to become a huge metropolis like Sydney. Why is the state government encouraging rapid population growth through immigration when it should be demanding a moratorium to allow time for current infrastructure inadequacies and problems to be rectified? Why does Victoria have to accept uncontrolled growth at levels only seen post-war when there was a valid reason to encourage growth?

**Ms GREEN** — So it was all right for your mob to come but not other mobs?

**Ms AZARIS** — Excuse me!

**The CHAIR** — Order! Please continue.

**Ms GREEN** — Sounds like racist rubbish.

**The CHAIR** — Please continue.

**Ms AZARIS** — Why do we have to keep making submissions about what we value about the green wedges? Environmental, community, farmers and green wedge groups want green wedge land grabs stopped. The proposed large-scale expansion of the urban growth boundary will accelerate Melbourne's car-dependent urban sprawl, resulting in loss of nearby green wedges and threatened habitats and a less livable city.

State government plans for a green wedge land grab of 41 663 hectares will take nearly twice as much land as expected. The implementation of the proposed grassland parks is far from certain, as acquisition and management relies on offsets from clearing inside the expanded urban growth boundary over a 10-year time period or longer. Importantly, the grassland parks will not make up for or justify the loss of high-quality remnant vegetation at the edge of Melbourne, which represents different grassland types and important populations and habitats of threatened species. They will not meet the offset requirements of the native vegetation framework, and environment groups understand that the state government intends to waive net gain offsets for the urban growth boundary expansion.

The proposed expansion of Melbourne and freeway reserve will destroy 6900 hectares of the state's highest quality remaining western basalt plains grasslands whose biodiversity rivals Kakadu, and it will destroy 925 hectares of grassy woodlands in the Darebin, Jackson and Merri Creek valleys, including 400 year-old river red gums. It will destroy prime market garden land in the Western Port catchment — an important food source for all of Melbourne.

There is the southern brown bandicoot habitat near the Royal Botanic Gardens Cranbourne; the historic township of Wollert to be razed for another freeway parallel to the Craigieburn freeway; and an estimated 200 homes and family farms blighting the future of hardworking families. The 22 000 hectares of remaining grasslands currently located in Melbourne's green wedges is about 30 per cent of the 5 per cent left of the western plains basalt grasslands that once stretched from Portland to Melbourne. Thank you.

**The CHAIR** — Thank you very much. You have taken up most of your time, so I will only take one question from both sides because you took a lot of time making your presentation. Is it possible to make your submission available electronically to the secretariat?

**Ms AZARIS** — I have done that.

**Ms HARTLAND** — Before I ask my question, I would like to state that I actually do not agree with you on your position around population, because I think that really there are some real problems about making those statements about immigration.

What, though, I am really interested in, and the Merri Creek Management Committee raised this yesterday as well, and you have in your submission, is the issue around studies and surveys. They felt that the work that had been done was not done over all of the seasons, to actually see what was there. Can you talk a little bit about that?

**Ms AZARIS** — Sure. Like I said, it was actually really what they call a textbook survey that they did in the area out around Sunbury. They did not actually come out on site at all, so that is the major flaw in that respect. They are relying on old information that has been provided to the department.

To gain a proper understanding of what vegetation and what fauna is in an area, you actually need to do a full study over 12 months so that each season is studied, and it needs more than a day in each quarter as well, because there are obviously nocturnal as well as animals that come out during the daytime, so you need to investigate those. You have orchids and other significant types of vegetation that are only evident in one small part of the year. There are all those types of things. There are snakes and lizards that hibernate during winter. There are lots of things that need to be taken into consideration when doing a proper environmental investigation.

**Ms GREEN** — I just need to, at the outset, correct some of your assertions. There is a new proposal for the E6 which avoids the township of Wollert — and I draw your attention to the pronunciation, it is Wollert — and that was something I campaigned very strongly for, so you are incorrect on that point.

Also, I can advise you that the Green Wedges Coalition has met on numerous occasions with the minister, and in the last six months. I know because I have actually spoken to members of the Green Wedges Coalition on the same day that they have met with the minister, so I would urge you to check that with the coalition. And I draw to your attention that I think that the Green Wedges Coalition membership in my electorate would be highly insulted by your references to migration. I ask you: how do you think a Victorian government can act on migration and what would be your proposal? Is it a Pacific solution?

**Ms AZARIS** — We have met with the minister, and I have met, as part of that Green Wedges Coalition, but that was prior to the announcement of any of these changes. We have not been able to get a meeting since the changes were announced, yet we have seen him attending numerous meetings and functions with developers. That is on that point. He certainly has not taken anything that we said prior to that into consideration with these changes.

The population policy is something that the Green Wedges Coalition has discussed. It is certainly an area that we feel needs to be — —

**Ms GREEN** — Not with an anti-Indian bias, I bet, unless it was from you.

**The CHAIR** — Order!

**Ms AZARIS** — Excuse me, are you allowing me to answer?

**Mr GUY** — This is outrageous.

**Ms GREEN** — The presentation was outrageous.

**Mr NARDELLA** — She made the statement.

**Ms AZARIS** — I am entitled to opinions.

**Members interjecting.**

**The CHAIR** — Order! Let the witness finish. This is not going to be recorded in Hansard. We cannot get it in. Please finish your answer.

**Mr NARDELLA** — On the public record.

**Ms GREEN** — You should apologise to the Indian community.

**Ms AZARIS** — Our groups believe that there should be a population debate. We have not said that there should be absolutely no further immigration. We are saying that there needs to be consideration and that there should not just be open slather for everybody and actually encouraging people to come into the country just for the sake of it. We would like to know why, what sorts of levels we are looking at and for what purpose. Is it to fill jobs? What is the need? We are not talking about specific races. We believe there should be — —

**Ms GREEN** — You mentioned India.

**Ms AZARIS** — I mentioned an area where I know that the government has been advertising. That was simply what that was. It was not picking out a particular race.

**Members interjecting.**

**The CHAIR** — Order! There is too much audible conversation going on. Please let the witness finish.

**Ms AZARIS** — Okay. We believe that the state government does have a role in speaking to the commonwealth government about population policy, as do all the states of Australia, and they can certainly contribute to the debate. I am not saying that they can necessarily control it, but they can certainly play a role in facilitating debate. They can have plans on where they would like growth in Victoria to go, as they are doing with this proposal. Certainly the state government can impact the population of the state and how that is developed. Thank you.

**The CHAIR** — Thank you very much. I have to interrupt you because you have gone over time. In due course you will get a copy of the transcript to proofread.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 22 November 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witnesses

Presenting

*Ms Barbara Ford* (sworn), and

*Mr Glenn Ford* (sworn).

**The CHAIR** — Welcome. Whatever you say here is protected by parliamentary privilege under the Constitution Act 1975, the Committee Act 2003 and the Defamation Act 2005. That means that nobody can sue you for anything you say here. If you say it outside, it is different, but you have that protection here. Whatever you say is being recorded by Hansard. That also goes for the public gallery. Some of the MPs get uptight, and some people try to use this forum to get things put on the public record because they have got parliamentary privilege, and then it is on record for ever and a day. Some people get excited to make sure the record is correct or to express their own view, as MPs do. But I do ask my colleagues here to let the witnesses have their say without haranguing them and then take it up in question time. I am trying to run this as informally and as relaxed as possible because a lot of you presenting here are not professional people. Please go ahead. I ask you to talk about 15 to 20 minutes and give us 10 minutes.

**Ms FORD** — I will try to keep it under 10, so you will have plenty of time to ask us questions.

**The CHAIR** — Thank you. Away you go. Who is going to start first, Barbara? Your mailing address?

**Ms FORD** — Colglenn, Holden Road, Diggers Rest.

**The CHAIR** — Your mailing address?

**Mr FORD** — Colglenn, Holden Road, Diggers Rest.

**The CHAIR** — Thank you. Away you go.

**Ms FORD** — Glenn and I thank members of the Outer Suburban/Interface Services and Development Committee for giving us the opportunity to present our concerns regarding the proposed outer metropolitan ring road in the shire of Melton. Glenn's family bought Colglenn farm in 1950. We married in 1984 and have continued to broadacre farm the land. We have raised our children here and have been involved in the local community. We have taken great pride in looking after our land, from which we derive our income. There are only a handful of farmers like us left in the shire of Melton. We do not believe this process has considered the emotional impact on the individual landowner who has a strong bond with their land, home and lifestyle. The VicRoads' response is, 'Do not worry about a freeway that is going to demolish everything you have worked for'.

The consultation process for those of us not included until June 2009 has been inadequate, and we have not been given equal opportunity as those who have been included since it began in December 2008. An email from VicRoads to our neighbour in February 2009 clearly stated that our land was not in the investigation area for the OMR. I have supplied copies of listed evidence, which is part of what you have been handed. Believing our farm was not targeted, it was a shock to find we now have a proposal that ploughs through our farm, a historic dry-stone wall and our neighbours' homes. The opportunity to make one written submission, at short notice, is the only offer we have been given, whereas previous submitters have been invited to meet with the authorities concerned. We have included copies of our written request to meet with Gary Liddle and Clive Mottram of VicRoads. To date we still have not received a reply. It was forwarded in early August.

If you missed your letter, if you did not have access to broadband, if you did not know you could request the information in a hard copy, if you were overwhelmed by an information meeting for hundreds of affected landowners conducted in the space of a few hours, and if you were only offered a disk that some could not open and found difficult to read, I am sure you would have been as frustrated as the rest of us. I have brought one of the disks along. I would like to have someone to have a go at

downloading it — you can put our address in — and just see how difficult it is to comprehend and to follow. That is a spare copy; you could probably get seven or eight.

**Mr SMITH** — Can you point out your land?

**Ms FORD** — Yes.

**Mr FORD** — Where it says GWZ.

**The CHAIR** — Glenn, maybe you want to go up there and point it out.

**Mr FORD** — This is our property here [inaudible].

**Mr SMITH** — Thank you.

**Ms FORD** — We are concerned about the omission of these issues. VicRoads have stated that they have considered all planning. I have given you all the references I have studied to follow this through. There have been no flora and fauna studies done on our property. We have not been asked to have any studies done on our property. The Deanside wetlands was a significant omission. It was not listed anywhere; it was only that a DSE staff person made reference. I felt it was inconceivable that VicRoads would design a major interchange to go through a wetland area.

In the cultural heritage assessment there was no reference to the Plumpton dry-stone wall which marks the eastern boundary of our farm along Plumpton Road. I have given you a copy of a brief history of the wall. It was built between 1854 and 1885, it is 1.2 kilometres in length and one of the largest intact remnants of a Clarke boundary wall in the shire of Melton. It is one of a diminishing number of dry-stone walls. The Plumpton wall is aesthetically significant and situated on one of the few north–south roads in the shire with good visual access for travellers. To some the wall may be just a pile of rocks. To those of us with an affinity for the land and history it is a reminder of the blood, sweat and tears of our pastoral pioneers. It took two and a half years to make it — that is man-hours — and VicRoads would probably demolish it in less than half a day.

The Shire of Melton lodged a submission on 21 September supporting the preservation of the Plumpton dry-stone wall, and a copy of that is attached. The June 2009 proposed route, CS5, would have totally obliterated the Plumpton dry-stone wall. The Plumpton Road realignment offered by VicRoads in August 2009 will save some of the wall but greatly diminish its historic value. The OMR will wipe out half of the wall, dissect it, and what is left will be removed from the view the public now has. I have not listed it, but I remember I have an email in which VicRoads gave us a reply. They could not answer a simple question such as how much of the wall they would save and how much they would destroy. It stated that that would be considered later on. How can they propose a solution when they have not done any study and they do not have simple answers such as that?

Residents' amenity: the OMR proposal devastates our rural community. Our rural community is in the area coloured blue; these are our neighbours opposite us. There would be five homes lost, and eight homes would be severely affected. Our neighbours who live on our southern boundary and hoped to employ up to 15 people in their business will have to close. I have also included a letter from them. We will lose our rural amenity and be left with some smaller, useless, dissected parcels of land. It appears to be urban growth at the expense of the interface zoning and our

heritage assets. There has been no consideration given to family homes to be wiped out in the green wedge zone or to one of the purposes of the land, which is to promote agriculture. Also, no consideration has been given to the Diggers Rest township and the surrounding rural community regarding the loss of access to the Calder Freeway. It is proposed that the Diggers Rest-Bulla overpass and Holden Road access will be terminated. The only access will be via the Sunbury-Diggers Rest overpass. Diggers Rest will be severely disadvantaged.

I have also included a letter from one of the Diggers Rest residents groups. It is planning to hold a public information meeting in the next two or three weeks because generally most of the residents are unaware that this is a possibility.

The reason I have done this map — I have put together two maps which have come out of VicRoads data — is simply to show perhaps a solution. The current route is CS5. VicRoads has a map which I have given you as well, just so you know I am not making this up. On the VicRoads map, CS4, the green line on the map, is an alternative route that VicRoads itself has plotted in there. The red line, CS1, would have been the first proposed route. What we are suggesting is, especially if they swing around the wetlands — which are down the bottom — it would much more practical and economical for that road to continue on and join with CS4. Where it crosses the Keilor-Melton Road it would only go through two properties. They are large vacant parcels of land. It is encumbered by the airport overlay and the powerlines. If the current path goes through, you are going through nine land-holders, taking away five homes and dissecting those parcels of land, which will probably be useless — they will no longer have the rural amenity that they have.

We spoke to VicRoads at the last information meeting we could go to at Rockbank. The only reason given to us for not altering that route was it appeared to be protection of that block of land. There is about 640 acres that a development company has interests in. We did bring up that that was in an airport overlay, and he stated, ‘Yes, we will not be able to have houses, but they may be able to have light industry. Therefore, it would be detrimental to that land’s potential future development’. We consider our land also could have potential future development.

**Mr SMITH** — Who owns that land?

**Ms FORD** — Evolve is the company that has interest in it. It is stated in the public submissions.

If that were to be given to light industry, then I believe the outer metropolitan ring-road would be much more compatibly aligned with that than to be going through there. If the ring-road is to continue through our land, we do not believe you can just consider it green wedge land, open space and ‘We can use it however we like’. If that ring-road is to continue there, you would have to look at the effect on all affected land along that road, the effects it is going to have on land abutting and what land uses are going to be able to continue on. It all makes sense to us. It would avoid the dry-stone wall and save our neighbours’ homes.

A loss of development outcome: I do not believe that that is a problem. In the shire of Melton they have looked at 11 500 hectares; the minimum required is 4000 hectares. Most of that realignment would be going through land that is not in the UGB. The

southern section that is in the UGB, either side of the road is in UGB — whichever side of the road that goes: if the road is one side, the UGB is on the other. What it means is that perhaps an individual developer may lose a few hectares of land.

We are concerned about the significant influence that developers have made in the summary and response to submissions in the *Urban Growth Boundary Review, 2009*. On page 61 you will find a submission by Evolve, Stoneleigh, site 4069. This group has had considerable influence in shifting the first preferred option route — CS1; that red line on the map — to the June proposed option, CS5. We asked staff at the first meeting in Melton why the road was shifted west, and we were told that it was to accommodate a couple of large land-holder developers. There was apparently a new report that had downgraded the significance of grassland. The Minister for Planning used this in a media release. However, this was not a reason given to us directly by VicRoads.

We also find VicRoads protective of that large vacant parcel of land not in the UGB but under the control of Evolve developers. We are concerned that planning principles could be compromised by the apparent influence developers have had. Development follows land that developers have speculated on. Traditionally, these have been the poorest land managers.

Will the grassland reserves become the future development land banks?  
Representatives from all parties should come out and follow the route on the ground before a final decision is made. VicRoads should come out and see the people directly affected. Land to be affected by the OMR should be reviewed. We hope some practical decisions will be made, and we thank you for listening.

**Mr NARDELLA** — Thank you very much for that submission. Just to let you know, I did have a talk to North Altona Rock blasting, which are — —

**Ms FORD** — On our southern boundary.

**Mr NARDELLA** — Yes. VicRoads is actually looking at some other entrances and roadways for them. Also, part of their position of where some of their equipment is needs to be shifted. I have actually talked to them about certainly maintaining their business there and what they need to do to keep on trading there, because they have worked really hard to go there. Also, just to let you know, in my last submission I called for the OMR to go towards that eastern boundary, to miss those houses.

**The CHAIR** — When you said access only from Sunbury, are we talking about Vineyard Road there?

**Ms FORD** — Yes. Currently if you come out from Melbourne, you come to the Diggers Rest-Bulla overpass. That one will lose access to the freeway. So the next access will be the Sunbury vineyard one, and Charlie Watson has been considering it. If the electrified rail goes through, it will be extremely inconvenient for the residents on that southern end: if you are on that side of the railway line, because the rail will be fairly frequent, the gates will be closed a quite lot of the time. If there were to be an emergency, there would be no access for any emergency vehicles into that section on the west side of Diggers Rest near the hotel. It will be a severe inconvenience, and nobody has been made aware. The township of Diggers Rest generally is not aware of what this proposal is going to do, and then there are people who travel from Toolern Vale and the rural areas and they all access the road from Holden Road or down past the milk bar around through the railway station there.

**Ms HARTLAND** — Thanks very much for the presentation. I would very much like to come out and have a look and attend the public meeting as well.

I am interested — and I have asked most of the witnesses this — in the kind of information you received and the kind of information you actually need to make an informed decision about what is happening. Can you talk a little bit more about that?

**Ms FORD** — Yes. If we had not been given some advice before that information meeting, the only thing I might have come home with was the disk. I do not know if any of you have tried to read it, but it is certainly not user-friendly, especially for people who — if you open it up, you will see what I mean. We were told to ask for particular reports. When we arrived I did request them and three or four times they insisted that all I needed was the disk, and I had to insist that I wanted those reports. There were aerial maps available, but if you didn't think to ask, nobody was offering. We asked if we could have copies of the aerial photographs because they clearly showed where homes were et cetera.

The other thing was when they did send us information — and I have not received it all; there are still the background technical reports that I have not received — they sent me the wrong aerial photographs. We had to ask for those again, and even when you are there — —

Clive Mottram was pointed out to us. He is the head of planning, so in some ways we were lucky enough to be directed to him so we could get direct answers, but generally a lot of the staff there were just taking your name, asking you questions and would get back to you later.

Our first notice was by mail on 22 June. We have had five days to think, 'Well, what is this proposal going to mean?', then an information day. It is extremely short notice. If you had to work or you had other commitments, you would not have been able to make that first information day. Then by the time you wait for information — we had less than a week to write our submission. I had heard that developers had been allowed to go in, plus when it was first brought out in December 2008 it clearly stated on that brochure that was brought out how to make the submission. You were invited to go in and have your say. I did ring Stuart Miles at the GAA and he said it was not worth perhaps talking to them, it was a road issue, and that I should contact VicRoads, so I went to the trouble; I put it in writing and we still haven't been contacted by VicRoads directly.

**Mr SMITH** — Have you ever thought of saving your time a little bit and going into VicRoads or instead joining Progressive Business, the Labor Party's influential group? Obviously the developers who are involved in that are able to influence VicRoads into putting it not through their property but through your property. Maybe you would be better off even paying \$5000 a head to go to a Labor Party dinner where you might be able to get to one of the ministers and talk to them about it.

**The CHAIR** — Before you answer that one, I have to ask Colleen if her question has been answered.

**Ms HARTLAND** — That was fine.

**Ms FORD** — For most of us, we do not have the money to pay these consultants to go and put everything together, and generally if you ask 10 people to put it in writing, you will be lucky if you get one. A lot of people have just had this thought, 'VicRoads, they are coming through us.'

You can't do anything'. A lot of people will not have even submitted because they consider that this is a foregone conclusion, a waste of time, and, 'What can we do?'

**Mr FORD** — I have spent a lot of time looking at land management, and in my opinion a lot of this system is poorly managed as far as looking at the land itself, and that upsets me. You were talking about joining a political party. It is a poor state of democracy when you have to do something like that to achieve — —

**Mr SMITH** — This is obviously the way that you buy influence with a Labor government.

**Mr FORD** — Labor or Liberal, I have no preferences either way, I can assure you. We do not do that sort of thing.

**Mr GUY** — I do not have any questions, but again I say thank you for your presentation, and my colleagues and I will also be happy to come out there and have a look at the location and see the public comments.

**Ms FORD** — I think from looking at a map to looking at it physically on the ground — —

**Ms HARTLAND** — It helps.

**Ms FORD** — It helps a lot.

**Mr GUY** — Was there any feedback given to you about the route that road was taking? Was there any reasoning presented to you at all as to why — —

**Mr FORD** — There is always a reason and a lot of it is fabricated as far as we have been able to ascertain. One was a grasslands report that did not exist. It just seems to fill the niches of what they require.

**Mr GUY** — So the grasslands existed on one side of the fence and not on the other?

**Mr FORD** — No, there were no significant grasslands in our particular area.

**Ms FORD** — South of the Western Highway there was meant to be an area of significant grassland, and that is why that road was pushed over to CS1, that red line, in the first place. It just appeared a little coincidentally convenient that when that road has come out the developers have pushed to move the road. Then the grassland seems to have been suddenly downgraded, and then we have asked for a copy of the report, and others have asked; I know the Grasslands Society did. We had an article in the *Weekly Times*. The reporter tried Biosis and he said all he could get was that it must have been a look over the fence.

**Ms HARTLAND** — Do you know the name of the report or when it was done or any of that detail?

**Ms FORD** — No, just the minister has made the statement. It is in the planning assessment report. It said the grasslands had been downgraded, but we were surprised that VicRoads apparently gave us an honest answer, that the reason it shifted west was because of a couple of larger land-holder developments.

**The CHAIR** — I just want to finish up by saying that regarding the first option they were putting up — the back of Sinclairs Road and going across there — again, it affected a number of households and it affected the two temples that are in the way there. Wherever it goes, there is difficulty. Continue to negotiate with VicRoads on the proposal, because it is not the final decision yet.

**Ms FORD** — I would just like to point out that because north of Keilor-Melton Road is going to still be in a green wedge zone, it is therefore presumed that that area will be like that for quite a

long time. On the southern side it is in the urban growth; if that was us on the other side, I would probably consider that one day our house is going anyway. We are in the urban growth. So there is a bit of a differentiation as to why perhaps houses up our end should be given more consideration than those in the urban growth. Sinclairs Road is almost abutting Caroline Springs. We have already been made aware by a lot of locals that they are already being approached, and I do not imagine that they are going to do a development and let you keep your little house where you are there.

**Mr FORD** — I think you will also find that one of those religious sites that you were referring to has already been sold. There is a ‘Sold’ sign on one of the fences there. It seems strange that such a significant site has to be terminated.

**Ms FORD** — A development plan that Evolve has put out — we have seen it — does not appear to make any reference to there being any religious sites in that area.

**The CHAIR** — I was just pointing it out.

**Ms FORD** — We do not want to push it onto anybody else in particular. We know everyone is affected.

**The CHAIR** — There is still time, as I said, to put your case on that.

**Mr FORD** — Mr Seitz, is it definite that the ring-road is going to define the urban growth boundary, when in fact it is accommodating urban growth boundary on both sides, east and west, on the south side of the Melton–Keilor highway?

**The CHAIR** — As I said, I could not answer that because it is not defined yet in the report. Thank you very much for your presentation. In due course you will get a copy of the Hansard transcript to proofread.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Mr K. Delaney

#### Witnesses

Taxed Out

*Mr Michael Hocking, Chairman, South Eastern Region (sworn),*

*Mr David Trenerry, Committee Member, Northern Region (affirmed),*

*Ms Robyn Early, Committee Member, South-Eastern Region (sworn),;* and

Landowner

*Mr Greg Carvill, (sworn).*

**The CHAIR** — All evidence that we take is under oath here, so it is sworn evidence, and you all have parliamentary privilege here. Whatever you say in here is protected by the privilege given by the 1975, 2003 and 2005 acts. So if you say something defamatory about someone, whatever you say in here cannot be held against you and used in a court of law, but if you repeat it outside, it can be. In here what you say and what is put on record stays on public record, and nobody can use it against you. Please state your address.

**Mr CARVILL** — Greg Carvill, 130 Devon Road, Devon Meadows in Cranbourne.

**Ms EARLY** — My postal address is PO Box 86, Officer 3809.

**Mr HOCKING** — I reside at 100 Weatherhead Road, Tynong North, 3813.

**Mr TRENERRY** — My residence is 1700 Merriang Road, Whittlesea, Victoria, 3753.

**The CHAIR** — Thank you. Who is going to start and make the presentation?

**Mr HOCKING** — I will start.

**The CHAIR** — Please go ahead. You have got about 20 minutes, and then give us 10 minutes for some discussion.

**Mr HOCKING** — I would like to thank the committee for the invitation to appear at this inquiry. As you know, my name is Michael Hocking; I am the chairman of Taxed Out. To my right is David Trenerry, committee member from the northern group of Taxed Out. To my left is Robyn Early, a committee member of the south-east group of Taxed Out, and to my far left is Greg Carvill, an affected landowner from Devon Meadows.

I hold a degree in property valuations and have been involved in purchasing and selling land within the Casey-Cardinia growth area corridor. I have been involved in valuations relating to compulsory acquisition of land inside the urban growth boundary and am currently involved in mortgage valuations, where the growth area infrastructure contribution is having a major impact.

Taxed Out is an incorporated not-for-profit organisation representing over 400 landowners and concerned residents throughout Melbourne. We have branches in the north, west and south-east growth areas. I would like to start with how the tax affects landowners, then I would like to discuss sales evidence and make some recommendations, and David will discuss Robyn and Greg's situation, amongst others.

Our position is that we recognise the need for an infrastructure contribution; however, contributions should be payable at the point of development. We say the GAIC is unfair and inequitable, cannot be supported by market evidence and will have serious social outcomes.

In relation to market evidence, all landowners will have a land tax notice registered on the certificate of title warning purchasers that they will be liable for the tax. A purchaser will have the option of paying the tax up-front or deferring the liability and incurring interest on the tax, which is also indexed annually. The only purchaser interested in exposure to such a liability will be a developer acquiring land with short-term development time lines. No family will purchase a 5 hectare rural property with a taxation liability of \$475 000 when they can purchase a similar property

outside the urban growth boundary and pay no tax. That leaves only developers in the market.

Land within the investigation areas will not be developed until 2019 and as late as 2029. Developers are not interested in holding property for that period of time, especially if they incur an up-front tax liability or defer payment and see the tax of \$95 000 per hectare grow to \$246 000 per hectare after 10 years. A landowner needing to sell will have no interest from the hobby farm or lifestyle market and little interest and demand from the development industry. A purchaser will not pay in excess of market value, and accordingly a vendor will be in no position to demand above-market prices. Without developer interest and demand the only way a sale can occur is if the tax is deducted from the sale price. We will address that issue a bit later on.

Because the tax will be deducted from the sale price it leads to the following situation: lending institutions will only lend against the property's market value, not market value plus the liability. A loss of borrowing capacity will impact both the current vendor and the future purchaser. A property owner with 2.023 hectares has no land tax liability registered on the title; however, the tax is applicable over 2.03 hectares. An area of land the size of a 7 metre by 10 metre shed will incur a liability of \$192 000 in tax. A purchaser acquiring vacant land over 4100 square metres also pays the tax. One extra square metre of land will trigger a liability of \$38 960, which grows at \$9.50 for every square metre that is purchased.

It affects inheritance. If a will directs that a property be sold, the tax applies, which the purchaser will deduct. It applies if a marriage breakdown requires the family home or other marital property to be sold. As with the situation described above, the tax will come off the sale price.

The tax is a flat rate regardless of the sale price. Those with the lowest sale price in effect pay the highest proportion of tax, and those with the higher priced property pays the lowest proportion. This is why development timing is critical to how a flat-rate tax is applied, which we will also detail in a minute.

No other form of infrastructure tax in this country targets private citizens. The same type of property transaction in any other growth area in Australia does not incur an infrastructure tax liability. Under the current proposal the GAIC will be paid by the purchaser and capital gains tax will be levied on the seller. Both taxes derive revenue from uplift in value from the one transaction. How much uplift, if any, remains for the seller? We will answer that question in a minute too.

The current proposal has required the Growth Areas Authority to announce the establishment of a hardship committee to oversee complex problems caused by the tax; however, the provisions extend only to the purchaser, who after being advised by the land tax notice registered on the title will acquire property in full knowledge of the liability and its consequences, while landowners who suffer a loss in value receive no recourse through hardship provisions.

The same type of property can be sold outside the urban growth boundary in Melbourne with no tax payable. The same type of property bought inside the urban

growth boundary prior to November 2005 does not pay the infrastructure tax. This is a distortion of the market. An example of that is out at the Pakenham bypass, where north of the bypass landowners pay no tax at all, south of the bypass they pay \$80 000 per hectare and across Cardinia Creek to the west they pay \$95 000 per hectare.

Developers pay at a statement of compliance stage rather than landowners. The proposed legislation permits developers already owning land to delay the charge until a statement of compliance is issued. The government is prepared to delay receiving revenue from the development industry until the very last stage of the development cycle, when land values are unquestionably the highest, yet families and the elderly incur the tax as soon as the land is sold, regardless of whether development will occur in 5, 10, 15 or 20 years. This gets back to the fairness of a flat-rate tax and its proportional impact on lower value properties compared to more expensive ones. Landowners at Melton, for example, will pay more tax proportionately than landowners in Casey and Cardinia. It is fair to say the poorest landowners will pay the highest proportion of tax. I would just like to summarise the Growth Areas Authority's position from their fact sheets and statements.

The Growth Areas Authority indicates land outside the urban growth boundary has sold or been valued at \$37 000 per hectare. Land inside the urban growth boundary has sold at in excess of \$400 000 per hectare, with reference made to a tenfold uplift with prices ranging between \$225 000 at the lower end and \$450 000-plus inside the boundary. It is noted that a tax of \$95 000 per hectare on land at the lower end of the Growth Areas Authority's range equates to a tax of 40 per cent of the sale price. To our knowledge this is the extent of publicly available information in support of the value uplift theory. It is this theory that is relied upon to justify charging a flat-rate tax on the first property transaction. However, we believe the Growth Areas Authority has not addressed the following critical issues: there has been a failure to acknowledge the market value of lifestyle property, a failure to acknowledge the market value of property with long-term development time lines and a failure to acknowledge the impact of levying the charge at the first point of sale and how that will impact on families and the elderly. I am not sure if you have the figures. I have provided some sheets to be distributed.

**The CHAIR** — Yes. They have.

**Overhead shown.**

**Mr HOCKING** — All right. So we are looking at figure 1.

**Mr TRENERRY** — It is just a summary.

**Mr HOCKING** — The overhead is a summary. Base figures of \$37 000 per hectare for farmland are quoted by the Growth Areas Authority, yet the tax also applies to lifestyle property. The fact is that small family land-holdings within commuting distance to Melbourne have a significantly higher value than that stated by the Growth Areas Authority. This is supported by sales for property north of Melbourne located well outside the influence of the proposed urban growth expansion or speculative purchasing at the date of sale. The data clearly demonstrates that small acreage has consistently attracted values in excess of \$100 000 per hectare for the last seven years.

The next concern is the failure to acknowledge that land with long-term development potential does not have the same value as land with short-term development potential. In December 2008 the state government released the policy document *Melbourne @ 5 million*, which clearly states that land brought within the urban growth boundary in 2009 is unlikely to be developed for another 10 to 20 years. This is a development time line commencing in 2019 and finishing in 2029. From an industry perspective this is long term. As a consequence, demand for this type of property has been low; however, some sales evidence does exist.

The following transactions in figure 2 have taken place within the existing urban growth boundary over the past three and a half years. Other than the first sale, all are located within an area designated as long-term development. As such, compatibility with respect to development timing makes these sales highly relevant in determining the value of land with long-term development time lines.

As you can see with the overhead, we have a median value of 190 000. The Growth Areas Authority range says 450 000 and above as the upper limit. Going back to figure 1, we have a median value of \$106 000 per hectare for lifestyle property where the lower end of the range for the Growth Areas Authority is \$40 000. So there is a vast difference in the figures.

It is a statement of fact that the land within the existing urban growth boundary has sold well below the range stated by the Growth Areas Authority. In comparing median sales figures for lifestyle property and median sales figures for land inside the urban growth boundary, which identify long-term development time lines, you can make the following analogy: the median uplift value is \$84 000 per hectare from outside the boundary as lifestyle property going to inside the boundary with long-term development time lines; however, the growth areas infrastructure liability is \$95 000 per hectare, equating to a loss in value of \$11 000 for every hectare that is owned. This is a multiple increase of less than one, despite the fact that the Growth Areas Authority claims a tenfold increase in prices as a result of this change. There will no doubt be sales that occur at higher prices and sales that take place at the perimeter of the expanded urban growth boundary that realise much lower prices.

When it is recognised that a further 41 000 hectares of land is to be included in the urban growth boundary this year and that larger properties will be targeted first by developers, families and the elderly living on small properties will face great stress and financial hardship through no fault of their own if this tax is implemented in its current form. If the underlying value uplift theory cannot properly be substantiated through publicly available information and factual information, then the infrastructure charge in its current form should fail.

The solution to this problem is to remove the link between the charge and the transfer of title. There is only one alternative that Taxed Out believes can be easily implemented that will provide the government with the infrastructure charge it requires and preserve the equity that Victorians have accumulated from land ownership over a lifetime — that is, to charge the infrastructure tax at the point of development. This is simple, easy to understand and triggered at the end of the development cycle when land values are higher. In this regard, a flat-rate tax of

\$95 000 per hectare is a realistic cost to a developer who can trigger the charge at a time of their choosing. This is the critical factor here: because the infrastructure charge will be triggered willingly, there is no requirement for a hardship committee on purchasers or vendors.

Taxed Out believes that an appropriate trigger point for the tax is when a planning permit is granted for development. At this point the tax is payable by whoever willingly seeks to develop approval, and consequently there is no need for a hardship committee. This approach also removes the requirement for an arbitrary trigger of 4100 square metres for vacant land and 2.03 hectares for land with a dwelling, which unfairly discriminates against landowners based on land size.

It is noted that proposed legislation permits landowners intent on developing property — that is, property developers — to delay the tax payment until a statement of compliance is issued. If the government is prepared to delay receiving revenue from the development industry until this late stage of a development cycle, then there can be no justification in fast-tracking revenue collection from the sale of property owned by families and the elderly. Under the current proposed legislation if amendments are made permitting GAIC payments to be levied upon whoever develops the land at the point of a statement of compliance, then Taxed Out believes this will be an equitable and acceptable solution to everyone. I would like to pass over to David, who will now discuss landowners' situations.

**Mr TRENERRY** — I am going to speak to three examples of the impact of the growth areas infrastructure tax on individuals. The first example is Robyn Early, who is sitting at the table with us here. Robyn is in a situation where she has owned a property since 4 July 2001 — while the slide says seven years, it is actually eight and a quarter years. It is a 7 hectare property which is about 15 years from development. Robyn's property has been inside the urban growth boundary since 2005 — for about three and a half years. The current value of the property is \$750 000 with a mortgage of \$100 000. The GAIC leviable on the property is \$560 000 if she sells, leaving \$90 000 residual equity. After a period of three and a half years inside the urban growth boundary, one would have expected that she has actually realised the uplift the Growth Areas Authority attributes to immediately occur once the boundary is magically drawn around the property. She has had the uplift; she ends up with \$90 000 equity. That is a loose use of the term 'equity', because over the period of ownership that Robyn has had the property, she has also expended money on the property and put money into reducing the mortgage. If one was to actually do those sums, she goes out with virtually nothing — she goes out backwards. What she buys with the \$90 000 she is left with I will leave to the imagination of the government and the Growth Areas Authority.

As a matter of interest, land across the road from where Robyn's property is situated, which is outside the growth boundary — it is a comparable sized property; a similar property in terms of its amenity and so forth — has been valued at \$650 000. Robyn's property, I will remind the committee, is valued at \$750 000. The difference is that Robyn will have a notice of charge placed on her certificate of title such that when it is sold it will be reduced to the extent of the GAIC, which I remind you is \$560 000. She would be better off living on the other side of the road outside the urban growth boundary where no tax is payable. Of course her rates will also go up, so she finds herself in a double bind. Now that the government has changed the approach to levying the GAIC from the purchaser, she has no access to a hardship committee. Good luck, Robyn!

The second example we have is Greg Carvill. Greg is also sitting at the table with us. I will go through the detail on the slide principally to ensure its inclusion in the Hansard transcript, and I will supplement it with further information. Greg is terminally ill. He and his wife need to move to care. He is a forced seller now with a GAIC impost on his property of \$380 000. He is surrounded by small holdings with long-term development land, and it is clear, again, that the purchaser, noting the registration of his GAIC liability on title, will choose to discount the purchase price to the extent of the tax. Incidentally, Greg has lived on this property for 40 years. He is inside the investigation area, just to make that clear. His property is 10 acres, or 4 hectares, and he is about 10 to 15 years from development.

He has a further problem in that before the government introduced the GAIC charge he also went guarantor for his son in a business venture when he had clear title to his property and a capacity to actually support his son to the extent of \$200 000. Everything may be fine, but if it is not, the decision he made before this tax was imposed means that he will have \$380 000 less equity in whatever he manages to sell his property for, and of course the reality for him and his wife is that finding care with the residual equity they have will be nigh on impossible. Again, with the shift to the purchaser — which we do not have a problem with, provided we deal with the solution we have offered, which is to levy the tax at the point of development — he has no access to a hardship panel either.

The third case that we wish to bring before you is Neil Gaghan. Again for the record I will detail Neil's circumstances. Neil has a 9.3 hectare property at Beveridge recently valued at \$620 000. He has a GAIC charge of \$880 000 which will be levied on the title and be payable by the purchaser. The development is 10 to 15 years away or longer, in his case. He is on the outer edge of the investigation area and the proposed new urban growth boundary. His property asset is therefore frozen. He has a young family. He has no capacity to borrow to improve and extend his property. I think it is about 12 squares in size, and he needs to extend it. The lives of Neil and his family have essentially been put on hold. As a matter of interest, I said the property has been recently valued at \$620 000. He has a mortgage of \$316 000 and \$304 000 in equity. If you take the GAIC charge, which will be on the certificate of title as a flag to the purchaser — 'Caveat emptor; beware! Here is the charge of \$880 000 on the title. Make your bid' — and take the \$304 000 off, he ends up with \$576 000 negative equity in his property.

These are three examples of the impact this insidious tax has on the lives of ordinary people — ordinary citizens of the state of Victoria. We are ready to take questions.

**Ms HARTLAND** — Robyn, one of the things that has been talked about a lot with this tax is that as soon as someone moves inside the urban growth boundary there will be this huge increase in value. You are saying that for you that has not occurred, and you have been inside since 2005. Could you talk a little bit more about that?

**Ms EARLY** — We bought the property as a superannuation investment, because back in the days when I grew up there was no such thing as super. We saw the property; we thought it was a good investment, so we bought it. My husband is very ill and he retired, so we put all his super into it. Then when we were told it was going to be rezoned and all this sort of thing we thought, 'Beaut, that gives us more money for our super'. Then we found out about this \$80 000 tax. We just thought, 'Where are we going to go?'. We worked out our figures; if it is sold, I will end up with nothing.

My husband is going to have to go into care. He is very, very ill, so he will have to go in in the near future. I am going to be left by myself with nothing; absolutely nothing. So far as the tax is concerned I think it is a net that has no holes in it for the property owner. It has put us in a really, really hard situation. I have no future. It was my super. The only thing is that the government is going to keep me for the rest of my life. They will have to put me into a rental property, pay the rent and pay for my upkeep. In the early stages I thought, 'How about we invest — get the money out and we keep ourselves? We would not be a drain on the government; everything would be great'. Now, if they go through with this tax the government is putting us into a position where they are going to have to keep us.

**Mr NARDELLA** — Michael, at the first Beveridge meeting you said the tax would affect the property that you have an interest in — or your group has an interest in — of about \$3.8 million.

**Mr HOCKING** — Yes.

**Mr NARDELLA** — You also said that your group — Taxed Out — that you were establishing at that time had a position that the tax should be levied on the developer. Why have you changed your position now further to one where it should be somewhere down the track?

**Mr HOCKING** — It is not levied on the developer; it is coming back to bite the vendor. Nothing has changed, and in respect of that property it was a not-for-profit organisation I was representing. It has been taken out of the investigation area now, so it is back into green wedge.

**Mr NARDELLA** — Okay.

**Mr SMITH** — Michael, when you saw last Friday that the minister had done a backflip, what were your first thoughts? And when you read it, what were your thoughts then?

**Mr HOCKING** — My initial thoughts were, 'Thank God someone is listening'. The entire development industry is asking for a shift of the charge. We are asking for a shift of the charge. We have been active for the last 10 months trying to lobby the government to see reason, and we thought that finally things had happened, in particular because there had been some early announcements that things were going to change. Unfortunately the devil is in the detail. I think we have provided the detail today, and unfortunately there has been no change.

**Mr SMITH** — In fact a bit worse by the sounds of it.

**Mr TRENERRY** — I would like to supplement that response if I could, Ken, and say that when you ask about what impact it had, I thought the spin department was doing exceptionally well.

**Mr SMITH** — You will notice that the words 'windfall gain' have disappeared from the minister's statement.

**Mr TRENERRY** — No mention of uplift values any more in the information documents provided to landowners either.

**Mr SMITH** — No.

**Mr HOCKING** — Can I please just make one comment? I do not want this to be a political issue. I do not want any of you having a go at each other about this. This is too damn serious to bring that onto the table, because it is going to affect these people for the rest of their lives, however long that is.

**Mr GUY** — You are right, Michael. It will affect some of the people next to you and a lot of other people for the rest of their lives. It is difficult not to make it a political issue in the sense that it has been proposed by the government of the day, and sometimes the government of the day needs to be reminded about how it is going to impact upon people.

I wonder, Greg and Robyn, if you would be able to say briefly how the last 10 months has impacted upon you and your family? This tax proposal came out in December. It has been changed about four or five times in that time since December. There has not been much in the way of clarity or in the way of certainty. In relation to government spin, government policy and all that jazz I wonder if you would be able to tell the committee how it has impacted your lives.

**Mr CARVILL** — In my case I only have 12 months to live. If the place was sold I could not afford to buy a place for my wife. That is how it has affected me. I could not borrow, because when you go guarantor for somebody that is it. My wife has just come out of intensive care. I could not afford to buy her a unit in the nursing home. Overall it has affected me in two ways. I want to express to the government — I believe the government here is perfect — but I think in this tax thing it has got out of control. I thought the government was there to help people like me, but it does not seem to be fitting in with that course. That is me in a nutshell. I am sorry I only have 12 months to live.

**Mr GUY** — Maybe Robyn has a few words.

**Ms EARLY** — The impact on me is that I have lost a lot of sleep. It is a lot of worry. I thought I was setting up my life to retire and be comfortable. I wanted to sell the property down the track probably to buy a unit or a small home and just live out my life reasonably comfortably. But with the way it is now I just cannot see an end to it. I can see me living on a pension in a rented property or in a home of some sort.

I know my husband is sick and he is going to have to go into care. I have been told that I will have to pay for that care because we own a property. That is going to come out of it. I am going to be left with nothing, and it really is scaring me. I am too old to start again. I have worked hard on this property. I have been out there digging holes for fence posts. I have been out there getting rid of weeds. It is me who has been out there. I have even been on the roof screwing it down because it needed replacing. I have been out there painting because I cannot afford to go and get tradesmen in. It is me who has worked hard for this thing, and now the government is coming and taking the whole lot away from me — all that I have worked for. I just do not think it is fair, and I know I am not the only one. I know there are people out there worse off than me. I am supposed to have a rise in the price of it, but I have not. It has made it less. If this goes through, I am going to have less. I am not even going to get back what I put into the place. Really, this has just got to be stopped. It has to be stopped not only for my benefit but for a lot of people.

**Ms GREEN** — Michael, in your presentation you described lifestyle properties.

**Mr HOCKING** — Yes.

**Ms GREEN** — How do you define lifestyle properties, and how many such properties do you maintain are impacted? Also, what is the basis of your claim that developers will not be interested in buying property for years?

**Mr HOCKING** — Lifestyle properties I would classify as less than 20 hectares. Remember the trigger is 2.023 hectares, so the tax applies there. That is certainly not a large-scale

development. That property will not be developed for a period of 10, 15 or 20 years; that is long-term development. The developers are not interested in that sort of land. That is why it is so difficult to find sales that have actually taken place with that development time line. They have taken place because they have aligned themselves with a major road arterial. So you have got developers that can consolidate hundreds of hectares together. They have the funds and the backing to be able to talk directly with the Growth Areas Authority to fast-track structure plans, and they can actually bring forward development, but someone on small acreage does not have the funds to do that.

**Ms GREEN** — I am sorry, Michael. Did you not just contradict yourself, though, in relation to developers, saying they will not be interested, and then on the other hand you are saying they are able to consolidate holdings and talk directly to the GAA? I thought that was a direct contradiction of what you just said.

**Mr HOCKING** — No, you misunderstand me. I am talking about small acreage.

**Ms GREEN** — Yes, but my question was about developers not being interested. Why are you saying developers are not interested and then straightaway you just said that they can consolidate and talk to the GAA?

**Mr HOCKING** — They consolidate large parcels — 40 hectares or that size.

**Ms GREEN** — So they will be interested?

**Mr HOCKING** — In large parcels. Consolidating large parcels gives you economy of scale. To try and amalgamate 4 hectares, 3 hectares or 2 hectares when there are no services around does not allow you to put the money in place to bring services to those properties. You need 300 or 400 hectares to get Delfin Lend Lease, Stockland and those sorts of companies prepared to fork out the money for sewerage, power and roads, so the little guys are last.

**The CHAIR** — Thank you very much for your presentation. You did not mention anything about rates in your presentation.

**Mr TRENERRY** — I am happy to do that, Chair. I would be happy to say they will go through the roof.

**The CHAIR** — In due course you will get a copy of the transcript to proofread. Thank you very much.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witnesses

Wyndham City Council

*Mr Bernie Cronin, Acting Chief Executive Officer (sworn), and  
Mr Greg Asplin, Director, Planning and Sustainability (sworn).*

**The CHAIR** — Our next witnesses are Mr Bernie Cronin and Mr Greg Asplin. Welcome. The committee is taking sworn evidence, so you have got parliamentary privilege under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005, so whatever you say in here cannot be held or used against you. If you say anything outside, you do not have these parliamentary privileges. The parliamentary privilege also applies to other states and territories. In other words, whatever is printed in the transcript and gets on the internet is fine, but you cannot elaborate on it outside for the media or whatever. Bernie, are you starting? Please state your postal address.

**Mr CRONIN** — My name is Bernie Cronin. I am the acting chief executive officer of Wyndham City Council, and my postal address is 45 Princes Highway, Werribee, 3030.

**The CHAIR** — Thank you.

**Mr ASPLIN** — My name is Greg Asplin. I am Director Sustainable Development at Wyndham City Council, and my postal address is 45 Princes Highway, Werribee 3030.

**The CHAIR** — You are familiar with the process. You have about 15 minutes to present your case, and then the committee can enter into some dialogue.

**Mr CRONIN** — Thank you, Chair, and members of the committee. Thank you for the opportunity to make a submission on a matter that is fundamental to the vision and operations of the community of Wyndham. The presentation will be made by myself in the first place as the acting chief executive officer and also by Greg Asplin as the director of planning and sustainability.

We do not intend to go through the submission, which I have circulated to all members, but rather we will highlight some of the key aspects: the proposed relocation of the UGB, the role of the growth areas infrastructure charge in the context of overall infrastructure needs, the need to recognise those needs and to meet them, project funding and allied issues of employment.

Firstly, on the relocation of the UGB — Wyndham City Council has consistently supported the expansion of the UGB. Its support has been conditional upon sufficient resources being applied to this change. While this includes planning resources, infrastructure is a primary concern. Why? It is to do with Wyndham's growth — growth, growth and more growth. There are 145 000 people today, with 280 000 people expected to reside in Wyndham in 2026, and with 400 000 being the ultimate population within the expanded UGB. These are the government's own figures from *Victoria in Future 2008*.

Actual growth over the past 18 months has exceeded these predictions. There have been 4000 dwelling approvals over 12 months, and this average has become the norm over the last quarter. The September figure for dwelling approvals was 415. We are expecting that the 12-month average will be over 4000 dwelling approvals.

Needs, needs and more needs — the interface councils, of which Wyndham is a member, have highlighted the arterial road needs to accommodate the growth; and closer to home, Wyndham has worked to quantify our community, social and infrastructure needs. Growth and the needs increase with each relocation of the urban growth boundary.

In terms of the funding role of the growth areas infrastructure contribution, councils have been able to levy developer contributions for some time, and many did so by agreement before that. The growth areas infrastructure contribution therefore is seen as appropriate to support state investment in the infrastructure. An example of the level of state infrastructure is that Wyndham alone will require 28 new primary and secondary state schools. It should be seen as an addition to the revenue sources, not a substitution. That is a key point for Wyndham. The infrastructure needs of growing communities exceed the level of developer contributions, both local and state, so the infrastructure associated with growth and the UGB changes must be recognised and must be funded, hence council support for the growth areas infrastructure contribution.

In terms of the timing of funds, historically outer communities waited for express demand to build up to the point at which they could convince public bodies to construct infrastructure. Wyndham is strongly of the view, as are the main government departments that we deal with, that we need to change that paradigm. The new planning paradigm demands that we in public service are proactive and not reactive. We enjoy sophisticated tools to anticipate the impact of this growth, and it is incumbent upon us to use them effectively; so funding must reflect the needs and must be timely. I will now hand over to Greg Asplin who will talk about some specifics.

**Mr ASPLIN** — Thank you, Bernie. The material that Bernie just read to you considered the conventional development scenario, and we want to talk about another dimension, and that is in relation to special project funding.

Occasionally new projects emerge that impact on this conventional planning. In the Wyndham context the regional rail line is one example. On the positive side it improves rail services immensely and provides a spine of public transport through the proposed growth areas.

It does, however, impose many grade separations on a flat landscape, and these all cost money. This manner of infrastructure provision must be looked at in a project sense. Its impact on conventional planning and funding arrangements must be divorced from conventional funding sources, and the same, I would suggest, would apply if agribusiness were to alter — and this is a matter that has been before the committee before. If Werribee South went to housing, it would be something that we could not have reasonably expected and would need to be funded on a project basis.

It is our view that any state or nationally significant consequences of a UGB shift should be funded outside the normal levy arrangements. There is an allied issue in all of this too, as you contemplate growth and funding that growth, which impacts on every landowner in our area and every member of our community, and that is employment. This has also been a recent focus of this parliamentary committee.

It is our view that the UGB shift should not be solely about where to plant the anticipated population growth; it needs to take into account community development, access and transport, and jobs. The community development and transport aspects have been covered very briefly, and they are covered more in the material that you have in front of you.

Employment to complement the growth is essential. Council wholeheartedly supports the notion of a polycentric city, and believes this is the only solution that is available to ensure a well-functioning metropolis. The market will need, necessarily, to adjust to this concept, and it is highly likely, if not certain, that government intervention will also be required.

It is likely that some of the GAIC will need to be hypothecated to provide infrastructure, to support employment. This is the quantitative side of that employment equation — we need more, and there is a mechanism to do it. But there is a qualitative side as well. Melbourne has long since not been two cities of east and west. CBDs — and I use that term rather than CADs so that we do not confuse the issue — are required in the middle and outer suburbs to shorten trips, lengthen time available for non-work related matters, reduce pollution and raise self-esteem.

It also ensures better use of infrastructure by using counter peak capacity on roads and rail. Congestion is probably a catalyst for the polycentric model as it has been in other cities such as Sydney, but a solution in Melbourne, in part at least, is relocating the jobs into these areas, thus complementing the population growth and supporting real communities in the outer suburbs. For the concluding remarks I will pass back to Bernie.

**Mr CRONIN** — In conclusion, I would like to make a couple of points. Firstly, council is working very closely and very cooperatively with the Growth Areas Authority. This is important, given the amount of detailed planning that now needs to take place by the precinct structure plans. Council is also working very closely in cooperation with the major government departments, in particular the Department of Planning and Community Development and the Department of Transport. As an example, a lot of council's concerns are in the area of social infrastructure. Council recently concluded a project on the social infrastructure requirements of Wyndham out to 2040. There is an executive summary included in the submission, and that was jointly funded by the Growth Areas Authority, DPCD and council.

We thought we would finish by crystallising some of the issues into a couple of rhetorical questions. Does growth stimulate the economy and provide opportunities of scale? If the answer is yes, then the UGB shift can be supported in principle.

Do residents in the growth areas deserve the same levels of amenity as in more established areas? Again, if yes, then funds must be made available to do so in a timely manner. If I can comment on this point, a lot of what has been in the media of recent times has characterised this as outer urban sprawl versus consolidation in the inner urban areas. That is clearly not an either/or, and it is also clear that the public perception of a Wyndham as an urban sprawl is also not reflecting what is happening. Wyndham is creating communities with the support of government. Those very large numbers of people that are coming to Wyndham, come to Wyndham for community and for the amenity that is in those communities, so it is in everybody's interest for us to shift some of the debate from simply being about sprawl.

If funds are collected for a purpose, should they be used for that purpose? If yes, then this demands a level of propriety in the administration of both local and state infrastructure charges. If yes, then special projects need to be funded separately; and Greg has alluded to some of the significant special projects occurring in Wyndham.

Is the notion of working closer to home a worthy one? If yes, then it is vital that government convert the rhetoric of a polycentric city into reality.

Wyndham recognises that growth is inevitable and that our community will host a significant proportion of this growth. This is accepted, and it is accepted by the community. We do, however, ask to be provided with the tools to do so. Timely and adequate access to planning, funds and stimulation of non-residential investment and employment are paramount. The current topics of the inquiry are supported and few unintended consequences of the proposals are evident.

Finally, should the committee or any of the staff require any further information to clarify council's view, other than what is in the submission, then we are only too happy to furnish that information.

**Ms HARTLAND** — As usual, Wyndham always does a very good submission. I know it might be a bit off the topic, but having visited Wyndham several times, I am especially interested in the issue around creating local workforce. Could you talk a little bit about how Wyndham has looked at that and how, as you said, it is part of actually stopping the sprawl, to have local jobs?

**Mr ASPLIN** — I would not have had a job if there was not an answer to the member's question. In 1987 the council understood that this was an issue. There was unfettered growth in the population, there was spasmodic growth in the industrial sector, there was virtually no growth in the commercial sector and there was very lumpy growth in the industrial sector — you had a Smorgons come in, or something like that. At that time the council made a bold decision — it was, I think, only Melbourne and St Kilda that had an economic development officer — and decided to invest at that stage.

What we have done since that time is to try to forge strategic alliances with investors, superannuation funds, real estate agents, business migration agents and the like, to stimulate growth in the non-residential sector, which is abnormally high. That is, beyond that which would normally occur.

The one thing that we were not specific about but allude to here is the fact that government owns 925 hectares in a very prime location. Since the Technology Statement of the Cain government, this has been highlighted by successive governments of both persuasions as being an opportunity to do something. Melbourne @ 5 million raised it as separate to the CADs, but as the Werribee Employment Precinct rather than a narrow Werribee technology precinct. We believe that that is an opportunity for the region.

We have had the Western Region Employment and Industrial Development Strategy, which says you need to build a new city of 2 square miles, in that particular one, somewhere in the outer west to sustain the whole region — and that is where we talk about rhetoric to reality. That is firmly in the mind of this government and hopefully the opposition, and that those sorts of things happen. It will need government intervention to kick-start it.

**Mr SMITH** — Bernie, you might be able to help us. One of the great concerns of people is that once these lands fall inside the UGB, the council is then going to look at their land and say what it is worth — they will get 20 blocks, 100 blocks, 1000 blocks — and all of a sudden their council rates have gone up out of all proportion. We have heard some arguments put forward that they have gone, on some farms, from \$3000 up to \$48 000, and that is just the first jump. What is

council's attitude as far as loading is concerned? Where are you going to start implementing the increase in rates for people? What have you got in place to try to help those people who do not want to sell, who do not want to be forced to sell, who are happy living in Wyndham, or wherever they may be? What are you going to do for them?

**Mr CRONIN** — Each year, as part of council's annual budget process, it sets the rates, and it has that option under the act to set differential rates, which means that it can indeed set different rates for different categories of residential owners. Council has had a different rate for residential as per farm, and council this year struck again a slightly different rate in relation to unoccupied, developable property. I hope I have got that category correct.

**Mr ASPLIN** — Yes, that is quite right.

**Mr CRONIN** — The margin — I am sorry, I just cannot tell you what that is off the top of my head. We are happy to furnish that. It was nowhere near that proportionate increase.

**Mr SMITH** — We are talking of people, and I will use an example of somebody who is on 100 hectares of land. They are running some cattle on it, they have got their farmhouse, they have lived there for some years and they want to continue living there. With 100 hectares they are probably going to get 1500 lots of land there. When are you going to start charging them for rates on their 1500 lots of land?

**Mr CRONIN** — I am hoping that my colleague might be able to help me there. It is largely a question for the council to do each year. It would be a prediction of what the council might do, as opposed to what they have already resolved to do.

**Mr SMITH** — But your officers of the council who will be preparing the information to give to the councillors to make a decision, you and your planning people and your valuers and so forth, will be putting together a submission to council. What are you going to put in that submission?

**Mr CRONIN** — The rates are obviously based on the values that are determined by the valuers and then determined by the differential that is decided by council in relation to the rate cost in the dollar, if you like. It is a decision by council. Say, for example, at the moment Wyndham City Council and its officers do not have a view in relation to next year's rating increase; that is something that takes a process, which we have commenced, but it will not be until council has been through that process and the officers have been through the process again, which we do as an annual process to determine that. We are not in a position to say because, essentially, we have not commenced that detailed process as yet. We can only comment on the decision that was made by council for the current year.

**Mr SMITH** — You are here before us; there are a number of other councils that are involved in the land that will be inside this urban growth boundary, which has not been put in yet because the legislation has not actually gone through and they have not finally determined what they are doing. With a bit of luck they might miss out before the next rating by the council.

**Mr NARDELLA** — Has the council got a hardship policy in regard to rates?

**Mr CRONIN** — Yes, it does.

**Mr NARDELLA** — I know the Melton one because, as I said before, I actually worked to get that together. Are you able to provide the committee with your hardship policy?

**Mr CRONIN** — Most definitely; we will submit it.

**Mr NARDELLA** — The unoccupied developable land differential rate I am certainly interested in, because that is the first time I have heard about that. When we came out for the agriculture inquiry, the land-holder we talked to said his land was in the UGB extension of 2005.

He told us that there had been an increase in the rates there. Can you further explain that? Can you provide some further information to the committee in regard to how that is different, how council makes those decisions, what process was undertaken to work that unoccupied developable land proposal, what is the criteria, how do people apply for it, how do they become eligible and when do they not become eligible? I think one of the things that is important to me is the unintended consequences. The fact that the land is not going to be developed in the medium to long term may have an effect on those land-holders, be they young or old, and how we can deal with that, certainly in regard to rating and with the uplift in the value of land.

**Mr CRONIN** — We will be happy to submit that.

**Mr NARDELLA** — Through Sean Coley.

**Mr CRONIN** — If that is acceptable to the committee, we will submit that in writing.

**The CHAIR** — Yes, thanks. I would like to follow-up Don's question. We were told by Bass Coast that the valuer-general sets what the right level should be. We were given an example of where one side of the road was cheaper than the other side of the road, which had a sea view and where the rates were higher for the farmers. This has got some of us a bit intrigued on how that is working out. When this new legislation comes in, will the valuer-general be involved in that process? Some of these things we will follow up anyway, but we are looking at that and whether it will just be the council that will make the decision. That was a new one to me about the valuer-general. At least that is what they told us.

**Mr CRONIN** — I am not sure how much light we could shed on that. Mr Asplin might — —

**Mr ASPLIN** — As I understand the process, we put the valuations on it, but they go to the valuer-general, and if there are anomalous-looking figures in there, they query it and there may be some adjustments.

**The CHAIR** — Up or down?

**Mr ASPLIN** — It depends on the circumstance.

**The CHAIR** — On the circumstances, yes.

**Ms GREEN** — Thanks for maintaining that development in your municipality is not about sprawl; it is about developing communities. As someone who lives in the northern suburbs, in the development area, I get very annoyed with uninformed comments that where I live is simply about sprawl, that we only sleep there and do not actually have great communities. I am pleased to hear that that is alive and well in Wyndham.

You said that demand for housing in Wyndham is very robust and greatly outstripping your projections. The witnesses before you were saying that developers will not be interested in buying property that has been newly put into the urban growth boundary due to the impact of the GAIC. Do you perceive that there would be a large impact on the robust demand that Wyndham is experiencing now if the GAIC were imposed?

**Mr ASPLIN** — We are aware of developers who are looking at the 4-hectare parcels and trying to work out an efficient manner to cobble them together. I was privy to the previous witness. While I am sympathetic to the notion that they are harder to do, if they are well located, then it needs to be done. The GAA should in one of its roles ensure that the urban development rolls out in a sensible manner and not just a manner that reflects expedience and ease. So I can say, unequivocally, from a Wyndham perspective that there are developers out there talking to the 4-hectare owners and trying to work out how to get them. Their problem is that you have a row of, say, four; three say yes and one says no; you go back next week and three say yes and one says no,

but it is a different one. Whether you are developing a hotel on Queens Road or commercial properties in Dandenong central, you just have to do a deal. Some of the people who live in the rural areas probably do not want to do a deal for some time and they need to be dealt with. The rate issue has to be contemplated, the GAIC will sit as a charge that lurks over them, but, presumably, their properties, as do most properties, get more valuable as they sit on them.

**Ms GREEN** — So it is not developers that are the barrier.

**The CHAIR** — Thank you, Bernie and Greg, for your presentation. In due course you will get a copy of the Hansard transcript.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witness

Cardinia Ratepayers and Residents Association

*Ms Gloria O'Connor, President, (sworn).*

**The CHAIR** — Welcome, Ms O'Connor. Did you hear what I said about the parliamentary privileges you have under the act?

**Ms O'CONNOR** — I only arrived about 10 or 15 minutes ago.

**The CHAIR** — I will quickly go through it. Whatever you say here in front of the committee is covered by parliamentary privilege under a number of acts, those being the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005. You are also covered in other states and territories, so if you have a go at anybody here they cannot sue you.

**Ms O'CONNOR** — That is nice to know.

**The CHAIR** — That is what it means in layman's terms. But you are not covered if you say it outside. Your evidence will all be transcribed; if someone reads it, they cannot sue you. You are free to say whatever you like.

**Ms O'CONNOR** — Okay, that is comforting to know. I do not think I will be saying anything very controversial.

**The CHAIR** — Or derogatory. Could you provide the committee with your postal address?

**Ms O'CONNOR** — It is 534 Pakenham Road, Pakenham Upper, 3810.

**The CHAIR** — You can talk to us for about 15 minutes or so, and then my colleagues will ask questions and talk with you or make statements and ask you to answer them or make comments. They just want to get more information from you.

**Ms O'CONNOR** — Firstly, I would like to thank you for giving me the opportunity to come and present to the committee. I think it is important, as members of the community, that we get an opportunity to do so. Obviously, a whole community cannot attend, but someone like me who has many discussions with the community can bring to you some of the opinions I know are common amongst the people I talk with.

You have a copy of the submission I put in to your committee, and I have not brought anything extra that I should have given you copies of. I want to reinforce what I said in the opening paragraph of my submission, and that is that I have a very strong concern about the refusal by the Department of Planning and Community Development to make available the urban growth boundary submissions. I understand there were 900, and when I last asked, there was no opportunity to see them. In the past it has been customary that when there has been an issue and people have put in submissions, you can generally go and have a look at what other people have said. I think that is a great pity, because this is a very big issue you are contemplating, and I find the fact that people have not been transparent enough to show us what other people have said very disturbing.

Also, I wrote a letter to Mr Brumby on 10 July. It was a reasonable letter about the GAIC and about the urban growth boundary. I asked for a response, and to this date I have not received a response. There is the letter; it is only a short letter that I sent to Mr Brumby, and to this day I am still waiting to hear from him in response to that letter.

I am looking for my other paper. I am sorry for the delay; I have too many papers. I was so incensed about the urban growth boundary originally that I had to speak about it again; that is how strongly I feel about it. My notes are here. I do not know how

much time will allow, but I want to try to cover several issues. I will just have to be as quick as I can without going into too much detail.

I think I will go to the GAIC next, because I have explained to you about the urban growth boundary submission. I have had meetings with individual landowners who are affected by this tax, and I feel very much for them, particularly those in the area where I live, Cardinia shire. They were drawn into the urban growth boundary in 2005. Because of that fact, the local council rates have gone up enormously, because their land is perceived to be valuable land for future development. That may be in 2020–25, but in the meantime those people are suffering greatly with high rates to the extent you could say they are being ‘rated out’. If you cannot pay your rates, you have to sell. If you have to sell, then the government is waiting to hit you with the GAIC.

I think there is a very big issue there in Cardinia shire. It has not affected the people in other parts of Melbourne yet, because they are not yet in that urban growth boundary. Should they be drawn into it, I think the same thing will happen there. There will be imposed very high municipal rates on a piece of land where there is no service. Nothing has changed. They are still farming; there is no change to the use of the land and no extra services, but the rates have skyrocketed. I think that is a very iniquitous situation to put people into.

I have not had time to read the full legislation — the one that has been changed. On my quick glance at it, I thought, ‘Something is not right here’. The tax is moving around, but it is not to the right place. The right place is onto the property developer at the point of subdivision. That is my view and the view of the people that I represent in Cardinia Shire. We do not see the landowners in any way financially disadvantaged. The proposal that is up now appears to still leave financial disadvantage on landowners who are only shifting land from one person to another. They are not intending to develop the land.

I come from the point of view that, if there were no UGB expansion, there would not need to be a GAIC, because the GAIC is intended to raise revenue for infrastructure to cover the expanded development in the urban growth boundary extension. If you were not extending the urban growth boundary, you would not need that great amount of money for infrastructure. I also perceive that we contribute taxes, Federal and State—everybody pays a lot of tax. I have always perceived — and other people also — that the government gathers those taxes in, and with that money it then does the things for which it is responsible, which is building infrastructure and things like that.

If we have already paid taxes for infrastructure of the kind that is contemplated in the GAIC, then I believe that the government should be able to do that infrastructure without having to tax people further. We have already paid tax for infrastructure. If there is not enough money to do the infrastructure, I think the government had better abandon its idea. If it cannot afford it, it should not be doing it. It seems to me it is a very simple thing. It should not be trying to squeeze money out of people who are heading towards their retirement with the GAIC. As a principle, you should not be taxing people to build the kind of infrastructure such as sewerage and transport and those sorts of things; our taxes should cover that. I will leave the GAIC, because if I say any more about that we will not get onto the rest of the things.

*Delivering Melbourne's Newest Sustainable Communities* I think is a joke. I think it should be called 'newest unsustainable communities', because I do not see that sustainability is possible in these cases.

We had Melbourne 2030 — that lasted three years. Then came 2005 and the extension of the urban growth boundary in the south-east of Melbourne, which is in the Cardinia shire, which is where I come from — right smack bang in the middle of a growth corridor. I can give you the experience of the people out there.

Three years later in December 2008 the amount of land needed out of the green wedge areas was 22 833 hectares. As if that were not enough, in June 2009, 41 000 hectares is the latest amount proposed to be taken out of the green wedge area into the urban growth area. Green wedge policy — which was begun, as I understand it, back with Melbourne 2030 — has lost its importance. It has begun to float. It is a bit like the electronic fence you put around a horse paddock. When the horses graze that bit out, you undo the tape and you move them into another area. It seems to me that this is where the urban growth boundary is going now — just move it when you feel you want more land for development.

I think there is a lot of scepticism in the community. Green wedge policy is not what it set out to be. I think this current government has actually betrayed people in that respect. The very good green wedge coalition groups, which fought so hard to retain our precious environmental land and vegetation, have been betrayed with this new attitude of flexibility to the green wedge policy, particularly if you look at the food-growing areas that have been included in this investigation. I think it is shocking that anyone would consider including those areas as possible areas for development when they are so important to our food supply and productivity of food. It is all very well to the give people houses, but if they have not got anything to eat, how long will they last in their house? Not very long.

The example of Cardinia shire is as a growth corridor. The urban growth boundary was extended in 2005. The development is pretty massive out there, and it is taking place very quickly across the landscape. I see green fields and farmland being covered with bitumen and concrete very rapidly. Particularly natural creek systems and waterways are being turned into what are called stormwater drains. They are no longer fulfilling their natural function. Because housing developments have to get rid of their stormwater, it goes into any nearby drain that travels on and adds into a local creek, which becomes a stormwater drain rather than a creek. This is not good. I am trying to give you the picture because a lot of you may not have gone into a growth corridor, and these are proposed growth corridors that you are looking at with the expanded urban growth boundary.

The local council is in debt. They have high debt constantly because quite frankly — and they will tell you this — they cannot keep up with the need to provide infrastructure. The pace of development is so great, the infrastructure is lagging all the time, and we have increasing debt of \$44 million.

We also have what I perceive is an increase in antisocial behaviour. We have congested roads, and we also have a social crisis. Yesterday in our newspaper — and I did bring it just to show you the front page — we have what are called the 4Cs, the

four churches. It is a welfare organisation that provides food for people who are in desperate circumstances, and they have been for several years now going along at a certain pace. They suddenly find that there has been a very big increase.

The article states:

Cardinia emergency relief group 4Cs is now helping a record one-in-four families in the shire and expecting an unprecedented demand for food and other support services ...

The spokesperson says:

They're being pushed really hard with a combination of homelessness and lost income.

They say:

We have a lot of needy people who tend to go unseen. All it takes is one person in a two-income family to lose income and there is almost instant hardship.

Out of 350 new families we have taken on in the last 20 weeks, 195 have needed support to keep food on the table. I don't think many people realise how tough it is out there.

That is a sign of the times — this sudden big increase in needy people having to go to the local food bank. I think that comes from perhaps people moving out to areas, buying a house that they think they are going to be able to manage the mortgage on, and then maybe it does not go as well as they think and someone gets out of work. They maybe have to travel a long way to their job because there are not jobs locally, and hardship sets in. I just wonder whether in the planning of all this urban growth development, those sorts of things are considered.

**The CHAIR** — Can I ask you to conclude?

**Ms O'CONNOR** — Okay. I would recommend you to see a study by the Curtin University. I have not seen it, but I have heard someone speak about it. They have come up with a research project that shows disadvantage. Remote suburbs out on the fringe actually create pockets of poverty and homelessness and social deprivation.

I will finish up now. Melbourne @ 5 million turned up, too. There is another policy that came along, and that was in conjunction with the urban growth boundary having to be redrawn, and I believe the government is actively encouraging this unprecedented population growth. I think the unprecedented consequences are lack of water, environmental degradation and climate change, and I think we are all going to be suffering those unprecedented consequences fairly soon. As I said earlier, in creating the newest sustainable communities, I think we will be creating newer unsustainable communities.

What will be the outcome if we continue to consume our environment, which is what we are doing by shifting the urban growth boundary and taking in more of the green wedge? We are consuming our environment and we are getting rid of native vegetation, thousands of acres of it, because 41 000 acres is a lot of land. We are removing native vegetation; we are destroying habitat and natural systems. I do not think we have the right to do that and, as I look ahead to my children and my grandchildren, I wonder how much is going to be left of the natural environment for my granddaughter and my grandson. Truly, this, as I said, is a momentous thing that you are all contemplating, and if it does go ahead, this government I am sure will go down in history as the one that was willing to sacrifice our environment for whatever reasons, reasons which are best known to themselves — certainly not sustainability.

I believe we owe it to our children and grandchildren to prevent this happening. That is why I have come here today to give you my fairly basic and sometimes inarticulate approach, but I am fairly passionate about this. That is why I have had to go into this thoroughly, but I have had to do it quickly because I am on limited time. Thank you.

**The CHAIR** — There being no further question, thank you. That was an excellent presentation and you have certainly got a lot of passion there. You are welcome to stay for the afternoon, and you will see a cross-section of different people and their expressions.

**Ms O'CONNOR** — I may stay for a little while. I would like to hear some of the others. As someone said to me recently when I said, 'Oh, gosh, I'll have to be answering some questions', she said, 'The thing to worry about is if they don't ask you questions', so I hope she wasn't right in that.

**The CHAIR** — Thanks once again. You will get a copy of the transcript for proofreading in due course.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witnesses

City of Hume

*Cr Jack Ogilvie, Mayor (sworn), and*

*Mr David Keenan, Director, City Sustainability (sworn),.*

**The CHAIR** — Welcome. You will be familiar with the rules. You have parliamentary privilege regarding whatever you say here under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005 and, where applicable, reciprocal legislation in other Australian states and territories. Any comments you make outside the hearing may not be afforded such privilege. Could you provide the committee with your postal addresses?

**Cr OGILVIE** — 14 Ervine Close, Sunbury 3429.

**Mr KEENAN** — P.O. Box 119, Dallas, Victoria 3047.

**The CHAIR** — You have 15 to 20 minutes to talk to us, and then we will have 10 minutes for questions and dialogue.

**Cr OGILVIE** — First off, on behalf of Hume City Council we thank you for the opportunity to meet to discuss our submission to the Outer Suburban/Interface Services and Development Committee's inquiry into the impact of the state government's decision to change the urban growth boundary.

Firstly, I must note that Hume City Council is generally supportive of the state government's decision to change the UGB. However, whilst the changes to the UGB are supported, Hume City Council has raised a number of concerns in relation to how the alignment has been determined and the planning approach and infrastructure provision to the land that will be included. These issues have been outlined in some detail in Hume City Council's submission to the UGB review, which was attached to our written documentation. For the purpose of today I would like to provide the following specific comments to (b), (c), (d) and (e) of the committee's stated terms of reference.

Regarding key reference (b), the government has suggested that the growth areas infrastructure charge will be used to offset the cost of providing infrastructure in growing areas and is not intended to fully cover the cost of major infrastructure. The amount of revenue gained is unlikely to cover the moneys or total costs of the infrastructure required to service the new growth areas. Fundamentally, most of this infrastructure has not yet been identified or costed. Clearly the infrastructure needs of growth areas vary widely.

Issues of concern to Hume City Council that are yet to be determined include: how much of the revenue is to be used to pay for the operation of the growth areas authority; what projects can access the fund; and how project priorities are to be determined. Hume City Council will welcome a set of approved strategies or plans that indicate the investment for state government infrastructure over the next 20 years. We also have a concern that in that 20-year period there could possibly be three or four changes of government.

This plan should outline where specific infrastructure such as train stations, road and transport upgrades, and major activity districts are to be located over this period of time. This would allow funding from the growth areas infrastructure contribution to be directed to these areas. It also means that government will have an obligation to lock these funding agreements into place, thereby creating surety of development for both the development sector and local governments. This in turn will allow local government and the business sectors to undertake appropriate planning for the sustainable development of these areas.

It is also important to council that there be a clear and robust framework set in place to identify, track and ensure that there is a correlation between where the money is collected and the final distribution, or where the funding occurs, which is one of the key issues that we are very concerned about. At present there is significant uncertainty about whether this can be achieved. It is not yet clear how the fund will work, and that concerns our council.

Regarding key reference (c), in relation to the commercial development of the growth areas, Hume City Council has advocated strongly in the past for the development of an employment investment strategy for growth areas. At this point in time there is scant commentary regarding the development of such a strategy. It is unclear where the residents in growth areas will be employed in the long term. Hume City Council has suggested that a strategy be developed between the Growth Areas Authority, Regional Development Australia and the Department of Innovation, Industry and Regional Development in consultation with the growth area councils.

This strategy should look at locating large-scale employment opportunities outside the Melbourne CBD. This strategy should summarise the key aspects of each of the growth areas economic development strategies and look at how some of the brownfield development can be better utilised in inner Melbourne. These job opportunities should be transported into the growth areas, thereby creating reverse migration on public transport out of the CBD and into what should be the employment areas of the future.

I now go to reference (d). In a Hume City Council letter to the committee we raise the issue that the application of the GAIC to the first land transaction appears to be too onerous. We advocated that a process linking payment of the GAIC to subdivisional land for urban purposes would be more equitable and see the party benefiting most from the increased land values making the contribution. However, we note that this now seems to have been addressed in the draft legislation released late last week. Without having thoroughly investigated the detail of the legislation, we commend and support the state government's initiative to rectify the concern of residents affected by the GAIC.

Moving to key reference (e), the issue of significant concern to council is the displacement and/or relocation of funding sources. One such concern for Hume City Council is that the funds that have previously been allocated to establishing growth areas may, after the GAIC is applied, be applicable only to established areas.

If this becomes the case, there is a major issue with some of the older established areas that are located within close proximity to the newer growth areas. This can be a divisive function for infrastructure provision and community wellbeing, if not addressed in an appropriate manner.

Finally, Hume City Council is concerned that over time the GAIC will be used to justify the relocation of existing funding streams away from the growth areas. At present many infrastructure projects and services provided within the growth areas are partly funded through a range of grants and other funding programs across state government departments. Should the GAIC become the only form of funding to growth areas to support proposed infrastructure or services, councils will be severely

disadvantaged. If the growth areas infrastructure contribution is to have any benefit in the timely provision of infrastructure in growth areas, it must remain in addition to existing sources of revenue and funding streams. That completes our submission.

**The CHAIR** — That is very concise and to the point. Thank you very much for your time and for explaining that. That gives us more time to ask questions.

**Ms HARTLAND** — I was interested in your comments about costs of infrastructure. What do you think your council would require in terms of the par services that you will need to provide with an expanded population? What also do you think are the state infrastructure needs of the area?

**Cr OGILVIE** — David and I will jointly answer this. First off, when you are in an growth area, the provision of infrastructure has changed over many years. People would come into a subdivision, then you would provide a lot of your major infrastructure. Today a good subdivision provides a way of life. People want that there now. They want the football grounds, all the sporting opportunities and all the recreation facilities; they want them there now, which means it is costing local government a lot of money to fund the provision of those services. With the other services to be provided by the state government, they would be the normal, like major road infrastructure, rail, child-care facilities and all that type of thing that they normally fund.

**Mr KEENAN** — If I may, you may or may not be aware that Hume City Council has a capital works budget of some \$50 million, so it is not insubstantial. One of the key issues we have is providing infrastructure, as the mayor indicates, to these new communities. We work very closely with developers to try to initiate public-private partnerships or seek outcomes where we can maximise funding to deliver things such as football fields and other multi-use things that come through.

I guess our issue is that sometimes we find there could be more strategic planning undertaken by state government agencies. For example, I would pose the question: would anyone be able to tell me where the next Magistrates Court within the growth areas will be located? Also, is there a plan that can tell me where other major pieces of state infrastructure will be located? Council is aware of documents such as the transport plan, but would require far more detail than what actually sits within some of those strategies at this point of time if we are going to ensure that the infrastructure is there when the community actually arrives.

The biggest issue we have, in both Sunbury and Craigieburn, is where people move into the growth areas and have an expectation that public transport will come, that there will be jobs in these areas, and that there will be some of the harder infrastructure, even the simple stuff — not so simple — such as broadband.

**Cr OGILVIE** — If I can use the example of Sunbury, the road from basically the airport through to Sunbury is a disgrace. I have spoken to the Premier and the roads minister about that. It has been a goat track. That bridge there is something that was for horses and carts. We have a real concern with Sunbury's population doubling with the infrastructure that is going into the airport for commercial use. A lot of those people will probably live in Sunbury. It is that general concern that we will need those funds right throughout our city.

**Mr GUY** — Thanks. I just place on record that the submission provided by Hume is fantastic and is very detailed. I refer to the PSP guidelines and processes that you make some reference to. What would be a better way to speed up the ability to bring forward development without relying on the PSP process having to go through the ministerial ratification to get things moving? Is there another way, that Hume has options or thoughts on, that might be able to be expressed?

**Mr KEENAN** — Hume City Council has, I believe, a very good reputation for dealing promptly with amendments. An example of that would be what happened some two years ago, when council, working to make sure that an amendment was processed in an adequate time frame, had a special meeting in January.

**Cr OGILVIE** — We had to come back from holidays early.

**Mr KEENAN** — It actually called councillors back in January to deal with that. If you tried doing that in perhaps another local government authority, you would be met with a level of reluctance, keeping in mind there was only one item on the agenda and that was actually dealing with that planning scheme amendment.

**Mr GUY** — It is your last term as mayor, is it, Jack, as a consequence?

**Cr OGILVIE** — Yes, they will never agree to elect me mayor again.

**Mr KEENAN** — The precinct structure guidelines are now sound and they provide a great guide to how we go about doing things at the moment. Hume City Council certainly welcomes their introduction from the GAA a week or two ago. In looking at how we are going to proceed or accelerate these, obviously the use of amendments over a broader scale can address some of those issues by providing the planning framework for those amendments to be heard and to go through that process. Some of the hold-ups we have found with amendments in the past — and this is not new — have been both the pre-authorisation process and the eventual gazettal going through. One of the issues under the precinct structure plans, we will obviously be seeing some new ones if the urban growth boundary is announced, is accurately identifying communities of an appropriate size.

The last precinct structure plans in the areas that have been identified sometimes only identified very small communities where the precinct structure planning needs to be undertaken or they identified communities where there are complex landownership situations. An example I may give there would be in the area south of Craigieburn Road, north of Greenvale and above Atwood: within that area there is a complex number of properties of which many are 5-acre properties. Are they ever really going to be developed, given that on the 5 acres there is usually a tennis court, a swimming pool and a dressage area? It is unlikely. So our resources are probably — if we are going to go down the growth path — better aimed at larger, greenfield developments where that planning can be undertaken.

You asked how the process can also be sped up, and I go back to the question I responded to from Ms Hartland — that is, if we have a really good comprehension of where state government infrastructure is going to go in the future, it is going to make it a hell of a lot easier for us to do the planning. So if we know where VicRoads are putting a road, if we know where there is a railway line going and it is — taking on board the mayor's point — locked in for the next 20 years, not subject to changes of government because there is a higher ethos there that turns around and says this is what is going to be delivered. It does not matter who is in or who is out, this piece of pipe, this piece of road, this train station is the next one that goes through.

And that goes back to the heart of our concerns within the funding streams here, as well. I think it is quite clear that council is not terribly worried if a large portion of the GAIC goes to Whittlesea one year on the condition that there is a plan and it then comes back to Hume the year after for the next train station or for the next piece of road — if it is actually done in that equitable manner. I have answered this in a long

way, but that would speed the precinct structure planning process up. I would say that I still believe that councils have a very important role to play as planning authorities in the precinct structure planning because we know our areas very well.

**Cr OGILVIE** — Just further to that, when we say 20 years planning, we understand that governments will change, their policies will change, but I think one of the key issues that we need to say is that if the reservations can be put in a planning scheme for those major roads, rail lines, that type of infrastructure, that will save a lot of headaches later. Also with funding for the strategic planning and social planning that we will require to make sure all of this new development — —

One area is Sunbury; it is going to go from 36 000 people now to probably 90 000 people. That cannot happen without the proper social planning and strategic planning that we need to do to make sure that the quality of the development is such that we do not have problems.

**Mr SMITH** — Could I just put a question to you about the council's policy regarding rates that are going to be charged to people who find themselves unfortunately in the urban growth boundary when in fact they want to stay as they are, who are happy on their 20 acres, 50 acres, whatever it may be. All of a sudden they get tied up in this boundary, and I think council are going to look at it and say, 'Righto, they have got 100 acres or 100 hectares, they have got 15 000 blocks of land with a rate of 15 to 1 and we are going to charge them on that basis'. Is that going to happen?

**Cr OGILVIE** — Look, we need to really sit down and look at that issue. It is a key issue. I have made comment to the press that I think it is quite unfair in one way that somebody could be sitting on quite a large rural holding in our municipality that is unsustainable for farming — they cannot sell it now, nobody will want to buy it. We have had land-holders whose rates over the last few years have gone from maybe \$2000 to \$12 000, and they are saying, 'Hey, we cannot keep on doing this. If this land is now rated as potential residential or whatever, we will go broke sitting on that land'. So I think it is something that we have got to look at, and I think in general it is something that we need direction from state government on.

I have always had a strong view that if you are sitting on, say, 80 hectares, then maybe an acre around where your house is should be rated as residential and the rest should be at a hell of a reduced rate. Because these people are saying to me, 'Look, we get basically nothing for sitting on our rural land'. We do give them subsidies, but if they are paying — as in quite a few cases in our municipality — \$30 000, they are saying, 'Okay, we have already paid our contribution towards your infrastructure'. I made a comment once that I felt that \$95 000 was too much. I believe people on the land should contribute some, because if they were to go and get their land rezoned, then we all know that is a costly process and the government will be doing that.

I said I think it has got to be fair, it has got to be equitable. That is something that we really will need to look at, but I do not think it should be just in our area of local government. I think we need clear direction from the state government, and for them to say, 'Okay, look, maybe this is the system that you have got to apply while that is in that holding position', if I can use those words. Because we are going to have people who are not going to be able to afford to pay us those rates; they will sit on it and say, 'Well, when we sell the land down the track, we will give you that money', and it is going to cause some real problems with our budget.

**Mr KEENAN** — One thing we did do was change our policy in relation to the sustainable land management policy, which now means that our rate incentives that apply to people who look after their land and keep it weed-free now apply to the urban growth zone, so there is an incentive there. But other than that there are no other incentives that we can give to ratepayers within that urban growth zone.

**Mr SMITH** — So apart from the fact that they may be in a position where they are going to be rated not only on the potential but the rezoned opportunities that they are going to have, they cannot get off the land because they are not going to be able to recover any money; they are not going to get a developer to come and fund it. So you are going to be charging them rates that are actually going to force them off the land and they will finish up having to sell for virtually nothing.

**Mr KEENAN** — Based on the valuation and the sales, yes.

**Mr SMITH** — It just seems so unfair. When the land is developed I do not have a hassle with the rates, but it is when it may be sitting there for 15 or 20 years before the land is ever developed, particularly those on the outer.

**Mr KEENAN** — As you heard in our submission, which the mayor read out, I guess that is why we see the GAIC being more appropriately delivered at the subdivision stage and maybe even the zoning changing through there. The submission also indicated that we would like to see a staging — a set of framework plans that come through — that perhaps puts it in a different area that then converts it at that point in time. That may be worked out as we go through PSPs et cetera.

**Ms GREEN** — On page 40 of your submission you have made reference to the E6 and queried whether or not it should be at a freeway grade, that maybe it would be better as a non-freeway arterial. Has council formed a view about the existing capacity and ability to expand the corridor along the existing Hume Freeway?

**Mr KEENAN** — Within this submission?

**Ms GREEN** — No, in general. Given the statement you have made about the E6, saying that maybe it would be better as an arterial, what view has council formed about the capacity of the existing Hume Freeway to expand in future?

**Mr KEENAN** — The council supported the OMR going in, as is exhibited through here. In relation to the E6, we were in a bit of a quandary looking at how we would actually fit into what was occurring in Whittlesea at the time. We were also aware of the fact that there may or may not have been a water treatment facility located in Donnybrook. Our biggest quandary in our original submission through here was the future of Kalkallo and Donnybrook and how it functioned — whether it was actually going to be employment land or residential, also keeping in mind the activities of Delfin to the north with the development of Lockerbie as well. We needed to make some comment because of the interface that occurs up near Gunns Gully and everything up through there. I think it is probably more of a Whittlesea call in there but we had to make the comment at the time.

**Ms GREEN** — But surely at some point when the Hume Freeway bypass went in council would have had a view about whether it would expand in the future?

**Mr KEENAN** — The township?

**Ms GREEN** — No, the Hume bypass, the Craigieburn bypass, not the E6. Surely when that project was done and began operating council would have had some look to the future about whether it could expand and cope with your population growth in Hume.

**Mr KEENAN** — I guess it goes back to the heart of our submission. Our preference — and this has changed a bit on the UGB — is not to go north; our preference is to go west to Mickleham Road and beyond Mickleham Road into the hard boundary of the proposed OMR, therefore extending existing infrastructure and creating a hard barrier, as has been the case in Wyndham, as has been the case in Melton, that actually stops some of the urban growth. There is a hard message that goes through rather than having a dotted line going through paddocks, which is what we are ending up with at the moment.

From our perspective, our big focus towards the north has been somewhat confused, given we were never sure where the OMR was actually going to go through. We are still unsure of the actual size of the intermodal facility that is being planned at Donnybrook. I am unable to tell you how many hectares that will take up or what sort of employment opportunities will be located around that facility. With all that in mind we have been in a quandary on how we deal firstly with Kalkallo, secondly with Donnybrook, and thirdly with the transport movements up there, especially those going east. So what we have put forward there is an opinion. Is it a qualified opinion at this stage? No. We actually need more data, we need more of those plans I probably referred to earlier in our presentation that lay out the blueprint or the framework.

**Ms GREEN** — However, you did suggest in your submission that electrification of the Seymour rail line to Wallan could be warranted.

**Mr KEENAN** — We did. That is a controversial issue within council. There is a hot debate going on within Sunbury over electrification going through there, but we would suggest from an officer point of view that to support growth areas the frequency offered by electrification and the quantum of people that can be moved is required.

**Mr NARDELLA** — I was really impressed with your presentation. Thank you very much. It was very good.

**The CHAIR** — I just want to say that your presentation was excellent and professionally presented. Secondly, I want to thank Jack for turning up and talking about those issues as the mayor. That is an important perspective and a different perspective for the committee to get, because this is something that affects a lot of individual people but it also affects the livability of the city and the municipalities and how they are planned and developed, as you have quite correctly pointed out, and future proposals and needs. I will finish by saying I know what a battle it was just to get the courthouse in Broadmeadows built and the health centre and everything else, which was 20 years behind time.

**Cr OGILVIE** — And the library.

**The CHAIR** — And the same in Bulla, Jack, as you know. When we had the overpass at —

**Cr OGILVIE** — Exactly.

**The CHAIR** — VicRoads were not going to have us, and the battle we had there.

**Cr OGILVIE** — Yes, I remember it will.

**The CHAIR** — It needed to be done. So, yes, future forecasts should be there well in time. I concur with that sentiment.

**Mr NARDELLA** — George, can I suggest that you have a talk with the Department of Justice in regard to the courts. Or have you already had that discussion?

**Mr KEENAN** — We have had a discussion with the department, and we have also put a submission in to Justice Bell's review of VCAT, asking people to think about where these facilities may be located in the future. I think that has spawned some thoughts.

**Mr NARDELLA** — Yes, because I think they have got a plan.

**Cr OGILVIE** — Yes, but I think that is the point they are trying to make also, Don: that we will need to work closely with the government departments for that strategic planning and social planning that needs to be done. It cannot be done how it was in the past. It really has to be there once all this starts rolling. We understand that things will take time, but we need the commitment of governments into the future that they are not going to just change it and pork-barrel marginal seats or anything like that. There has to be a bipartisan agreement that yes, this is what it is, and then we can make it happen.

**The CHAIR** — Thanks very much for presenting your submission and talking to it. In due course you will receive a copy of the Hansard transcript for you to proofread. Thank you once again.

**Cr OGILVIE** — And we thank you for your time.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witness

Presenting

*Mr Maurice Schinkel* (sworn).

**The CHAIR** — Welcome. The committee is taking evidence under oath or affirmation, so you have got the protection of the Parliamentary Committees Act, the Constitution Act and the Defamation Act: whatever you say here cannot be held against you. That also applies in the other states and territories. Can we have your postal address?

**Mr SCHINKEL** — It is 25 Birdwood Avenue, Cowes.

**The CHAIR** — You have got about 15 minutes or so to talk to the committee. We will then have 10 minutes left to enter into some dialogue with you. I will pull you up in about 15 minutes, so go. It is all yours.

**Mr SCHINKEL** — What you have before you is a presentation that consists of four pages and five attachments. I will read it out if I may.

This presentation is a clarification of my submission dated 12 October 2009 and pertains to two matters of relevance to the committee, being easements for the proposed desalination project intruding into the urban growth boundary and the corruption of and corruption in the environment effects statement inquiry for the Victorian desalination project.

Easements for the proposed desalination project intruding into the urban growth boundary: an examination of my attachment no. 1, being the map entitled 'Investigation Area 1 Casey 2 December 08' from the DPCD website, reveals the area of blue outline to be an investigation area for the expansion of the urban growth boundary. The four maps, which were included as attachments to my submission dated 12 October, when overlaid and compared with the map, 'Investigation Area 1 Casey 2 December 08', clearly show the intrusion into the urban growth boundary investigation area by the desalination project underground co-located pipeline and power easement — the green line on those four maps; the desalination project underground pipeline — the blue line on the four maps; and the desalination project underground powerline — the red line on the four maps. This intrusion occurs to the north-west of the intersection of Pattersons Road, Pound Road and McCormacks Road in the city of Casey.

An examination of and search for key words on the Growth Areas Authority website reveals no consideration of the Victorian desalination project or the abovementioned easements by the Growth Areas Authority. An examination of and search for key words in the Victorian desalination project environment effects statement, the Victorian desalination project environment effects report of the inquiry to the Minister for Planning dated 4 December 2008 and the Victorian desalination project assessment under the Environment Effects Act 1978 by the Minister for Planning dated January 2009 also reveals no consideration of the urban growth boundary.

This lack of consideration of the above matters is of importance to this committee in that easements of at least 20 metres are proposed for an 'underground pipeline', an 'underground powerline' and an 'underground co-located pipeline and power'. These easements cannot be built on, and because of a lack of consideration and analysis their potential recreational status is indeterminate. This represents a loss of area for housing, an inhibitor to growth and development industries, an adverse outcome for the environment and an unnecessary complication for planning.

My source for the current width of the proposed easements is discussions with Mr Peter Brown and Ms Lyn Whitlam, owners of land at 85 Eden Road in Glen Forbes — a property slated for proposed desalination easements. It has been related to me by Mr Brown and Ms Whitlam that government land valuers have offered 40 per cent of valuation for the acquisition of easements. Translating this figure to the urban growth boundary would represent a significant loss of payment to the land-holders north-west of the intersection of Pattersons Road, Pound Road and McCormacks Road in the city of Casey.

Further, the apparent conflict of this valuation with the proposed growth areas infrastructure contribution cannot be reconciled. In regard to proposed easements for the desalination proposal, there are matters of equity that remain unresolved.

In regard to the corruption of and corruption in the environment effects statement inquiry for the Victorian desalination project, this matter pertains to the holding of part of the inquiry at the Silverwater Resort at San Remo and the taking of the hospitality and food of the resort by the inquiry panel and the receipt of moneys by the resort.

Attachment no. 2 is an extract from technical appendix no. 10 by the proponent to the EES, which shows the consideration of the Silverwater Resort at San Remo thus. The description of the contents of the table on page 41 says:

... the development of these resort-type developments will free up other commercial accommodation in the shire (principally motels), and thus some additional accommodation is likely to become available ...

Attachment no. 3 is an extract from technical appendix no. 11 by the proponent to the EES which shows the consideration of the Silverwater Resort at San Remo thus. The description of the contents of the table 5.6 on page 44 says:

... the development of these resort-type developments may free up other commercial accommodation in the shire (principally motels) and thus some additional accommodation is likely to become available ...

The proponent has more than once in the EES documents used Silverwater Resort to advance the proposition that accommodation questions and issues associated with the Victorian desalination project can be resolved.

Attachment number 4 is an extract from the timetable for hearing for the EES inquiry which shows that days 11, 12 and 13 of the proceedings were held at Silverwater Resort.

Attachment number 5 is an extract from the report of the inquiry to the Minister for Planning dated 4 December 2008 which shows on page 17 that the hearing was held at Silverwater Resort.

The inquiry panel took the hospitality and food of Silverwater Resort and moneys were received by the resort. It is a clear conflict for the inquiry panel to take the hospitality and food of the Silverwater Resort and for moneys to be received by the resort when the inquiry is considering matters and documents in which Silverwater Resort is specifically named as a component of the environment effects statement. This is a tainting and corrupting of the EES process.

The above matters have relevance to the committee because it is intended to create easements for the Victorian desalination project across land under consideration by the committee. I maintain that the Victorian desalination project is proceeding on a corrupt basis, and it is proposed that it intrude, without any investigation, into areas of land that are the subject of consideration by the Outer Suburban/Interface Services and Development Committee.

The situation now arises where privately owned pipes may be laid by a private company in easements in the urban growth boundary without any consideration of the effect of the creation of those easements in terms of the likely impacts of the loss of area for housing, an inhibitor to growth and development industries, an adverse outcome for the environment, an unnecessary complication for planning and unresolved financial matters. Thank you for your time.

**The CHAIR** — Thank you for your concise presentation.

**Ms HARTLAND** — I really just want to talk to you about the actual issue of the pipelines and the easement, because I am not sure about the issues you have raised about Silverwater. Can you talk me through this issue? You are saying these easements are actually within the investigation areas?

**Mr SCHINKEL** — Yes.

**Ms HARTLAND** — Right. So how much land are we talking about?

**Mr SCHINKEL** — It would be at least 20 metres in width times the total length of the easements. Twenty metres is a figure I have obtained from Mr Brown and Ms Whitlam, but we now have questions of co-location of a water pipeline, for instance, with internet and also electricity. I am about to write to the Essential Services Commission to determine the correct easement for such a co-location. The 20 metres may well be a minimum but it may well be more. The initial investigation area for the EES was 400 metres.

**Ms HARTLAND** — Your concern is the fact that by the pipes being in the investigation area the amount of money that the land-holders are going to receive is going to be significantly less than it would have been otherwise?

**Mr SCHINKEL** — Based on the evaluation given to Ms Whitlam and Mr Brown of 40 per cent, if that valuation is applied to the people north of the location I identified, I would envisage they would suffer a significant loss of payment as opposed to the utilisation of that property for housing.

**Ms HARTLAND** — So all up, how much land will each of these landowners lose to the pipe?

**Mr SCHINKEL** — All I have to go on are the maps from the Our Water Our Future website, which I have given to you. I do not know the land-holders involved — DSE and its representatives do know the land-holders — so I am unable, based on the information that I can readily obtain from websites, to determine.

**Mr SMITH** — I have concerns about the pipeline going across any other land and what the Attorney-General put in the Parliament which took away the rights of the people in that area, firstly, to object to people going onto the land, and secondly to lose their right as far as compensation was concerned or being able to dispute the compensation that has been put forward. They are being told what they are going to get and that is it. That was because of a direction that was put into both houses of Parliament one Thursday afternoon by the Attorney-General.

**Mr NARDELLA** — Your question is?

**Mr SMITH** — My question is: why is the Attorney-General taking away the rights of people when he is supposed to be preserving the rights of people? Is that a good question, Don?

**Mr NARDELLA** — Yes. Go for it.

**The CHAIR** — Are there any other questions or comments that you want to put to the witness? If not, thank you very much for your presentation. It was an excellent job and very concise and certainly brings in a dimension that I have not looked at as Chair. Thank you very much for bringing that to our attention.

**Witness withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz  
Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley  
Research Officer: Mr K. Delaney

#### Witnesses

Green Wedges Coalition

*Ms Rosemary West, Joint Coordinator, (affirmed);*

Green Wedges Coalition and Green Wedges Protection Group

*Mr Kahn Franke, President, (sworn);*

Cardinia Environment Coalition

*Ms Kelly Brooks-MacMillan, Secretary, (affirmed);*

Western Plains North Green Wedges Coalition

*Ms Frances Overmars, Coordinator, (sworn);*

Wollert Action Group

*Ms Wendy Campbell, Coordinator, (sworn); and*

Taxed Out

*Mr Greg Heffernan, President, Northern Region, (affirmed).*

**The CHAIR** — I advise the witnesses that they have about 20 minutes between them to talk to us, or if they choose to talk for the full half-hour, we will not have time for questions.

**Ms WEST** — Sure. We will just get the PowerPoint presentation going, but in the meantime thank you for giving us this opportunity to present our case and to answer your questions. This is really our only chance to prevent the destruction of Melbourne's green wedges that will be the inevitable result of this UGB expansion and unnecessary freeway building. We cannot do this in 10 minutes and hope you can avail yourselves — —

**The CHAIR** — You have 20 minutes.

**Ms WEST** — Okay. We probably cannot do it in 20 either, but we hope you can avail yourselves of the advice of the many experts such as Professor Michael Buxton — the architect of the government's green wedge protection policy — which had bipartisan support in 2002, and Rob Adams, who commented in the media on the fundamental planning errors in the plan.

For that reason I have brought in some press clippings. You will have copies of these. These are a few of the main ones with critiques of the government's plan, which has been bagged by all of the experts. We urgently request that Parliament at least not vote on these matters until this important committee has had time to properly review and report on them. The fate of the green wedges is in your hands.

I will run through a few slides to show what is happening, but first I will introduce our president — Kahn Franke, to present our main case. Then we will each present in turn. We have three land-holder representatives here today to talk about how they are affected by being driven off their properties, basically. So I now hand over to Kahn.

**Mr FRANKE** — Thank you for the opportunity to speak. I am president of the Green Wedges Coalition and the Nillumbik-based Green Wedge Protection group. Both groups are ardent supporters of long-term consistent planning for Melbourne, and strongly support Melbourne 2030.

While I welcome this process, which has been necessitated by the Brumby government's inept and seriously flawed interpretation of what Melbourne 2030 and long-term planning is all about, I find it beggars belief that after 40 years of involvement in Melbourne's planning I am sitting here discussing and defending the very principle that Melbourne's planning has been predicated upon since 1961 — containing Melbourne's growth in corridors and preserving rural areas for agriculture and recreation in green wedges.

The Melbourne and Metropolitan Board of Works formulated the urban corridor green wedge idea in 1961. In 1967 the concept was crystallised in the *Future Growth of Melbourne* report. In November 1971 the MMBW released *Planning policies for the Melbourne and Metropolitan Area*, stating that 'Planning is a long-term process', and that commitment and consistency are required to achieve a lifestyle Melburnians desire. Documents for all of these concepts were put out by governments and the MMBW.

In 1981 the MMBW released Amendment 150 to the Melbourne Metropolitan Planning Scheme. The adherence to the basic planning principles remained. The document reiterated, 'Involvement and commitment is essential', and, 'The need for a consistent approach to management of development throughout the metropolitan area. Growth corridors and green wedges made Melbourne one of the most livable cities in the world. Amendment 150 would keep that vision alive into the new millennium'.

Long-term planning, by its very nature, must be responsive to change. It must evolve to accommodate the community's changing needs and aspirations. The structure that the MMBW put in place in 1961 was strongly endorsed by the Hamer government in 1972, building a solid foundation for Melbourne's future. There were, of course, many reviews and reports on all aspects of planning for Melbourne's future, but all documents concluded that the basic planning strategy was meeting every expectation.

In 1996 the Kennett government appointed an advisory committee group to review issues on the urban fringe. This report strongly supported the accepted approach to strategic planning and put forward many recommendations to ensure the protection of green wedges and the containment of urban sprawl.

In 2002 Melbourne 2030 was born. Once again, the original planning concept is accepted and built on — contain growth, preserve the green wedges for agriculture, conservation, scenic landscapes and provide opportunities for tourism and recreation. These are among the range of specific roles attributed to our green wedges.

More reports were written: in 2002 *Maintaining Melbourne's Green Wedges* and in 2006 *Change and Continuity in Peri-Urban Australia*. Both reports argued in favour of green wedges or belts and said that governments must identify the land to be included in green wedges and belts, define the boundaries and adopt and enforce the policy instruments to protect the specified land.

In 2008 the Melbourne 2030 audit expert group report was released. Within the executive summary are the words:

We are convinced that the fundamental principles of Melbourne 2030 are more relevant than ever.

...

... there is now an even greater urgency to implement the many initiatives of Melbourne 2030 if Melbourne's development is to be sustainable and the city is to remain livable.

Section 5.2, 'Green wedges', within the consolidated recommendations of that document states in part:

That the state government gives higher priority to enhancing the contribution of green wedges to the sustainability and livability of Melbourne.

At 3.2.6, 'The urban growth boundary', it states:

Maintaining the UGB without alteration for at least ... five years, unless compelling circumstances arise.

We are here today because the Brumby government did not heed the recommendations. It has not provided the required compelling information to remove 41 000 hectares from Melbourne's green wedges.

History shows us that since 1961 the vision for Melbourne has continually been supported. While good long-term planning is about providing certainty for all stakeholders, it must also have commitment and consistency in its application to achieve its goals. The UGB was put in place by Minister Delahunty and the Bracks government in 2003, because they recognised the pressure placed on local councils by developers to continually erode the green wedges by rezoning for urban growth.

It is obvious that the powers of persuasion and pressure exerted by the developers can not only influence local government, but they are also capable of undermining a prudent strategic planning scheme by turning the government entrusted with its safekeeping for maintaining the integrity of 2030 and all it stands for. Delivering Melbourne's Newest Sustainable Communities — yet another report pays lip service to the green wedges. It would appear that what you lack in fact you make up for with volume. This is by far the weightiest tome on planning ever handed out. That a document like this can appear with little community input gives it little credibility.

In 2003 the document protecting Melbourne's green wedges stated that, 'Two key initiatives of Melbourne 2030 are aimed at limiting our incursion into the green wedges and creating more vibrant communities'. It also pointed out that by international standards, Melbourne is a very large city in geographical terms. We have an average of 14.9 persons per hectare. In contrast Montreal has 33.8; Toronto 41.5. These cities compare in population and living standards.

The UGB changes proposed do nothing to address these figures. It does break many political promises, destroys Melbourne 2030, reduces nearly 50 years of strategic planning for Melbourne to rubble, demolishes the certainty and commitment required by farmers within the green wedge to plan for the future, extinguishes the certainty of conserving biodiversity within the green wedges, invalidates Melbourne as the most livable city and worst of all, opens up a Pandora's box for the developers who have wreaked this havoc in the name of affordable housing and the population boom. It is a major disappointment that developers' profits could come before Melbourne's planning.

In June 2008 Melbourne's population was 3.9 million. Consider that in 1971 the MMBW planners predicted population of 3.3 million to 3.5 million by 1985 and 4.5 million to 4.7 million by 2000.

I make two points: one is that population predictions 15 to 30 years out are inexact science; and two, 2030 was expecting growth of around 1 million by 2030. In 2003 Melbourne's population was 3.6 million. It was predicted to be 4.6 million in 2030. As the 2008, Melbourne 2030 Expert Audit Committee reported, Melbourne 2030 has got it right. Think about Melbourne's future, reject this ill-conceived UGB change. Increasing densities in current growth areas and activity centres will absorb the supposed population boom. Make the hard decisions, do not jump at the soft option.

I trust that you have read our submission and will have many questions. Once again, thank you for the opportunity to raise our concerns.

**Ms WEST** — I am sorry about the PowerPoint presentation, but if it is all right with you we will somehow find a way to copy it and get it to you. What we planned was that we had maps which really basically kept up with what Kahn was saying. I think Sean has got the first one, which basically showed the wedges that were in place without an urban growth boundary, and while the Melbourne Metropolitan Board of Works was there, that lasted pretty well, but when it was handed over to councils they started to fray, and that is why it was necessary for the government to introduce the urban growth boundary and the green wedge protection package in 2003.

We then had a map of the first urban growth boundary; and a map showing the green wedges; and then the final map showing what is now proposed, which is that huge areas are to be taken out of it, a map with which I am sure you are all familiar which is on page 1 of this document. It basically shows where the land is coming out. I was hoping that would accompany what Kahn was saying.

Basically, in our team we have got three land-holder members here, and you have read our submissions so you know what we are here for, what we are here basically asking you, and we are hoping that we have got enough evidence in our various submissions. Everyone here has put in a personal submission or as part of the Green Wedges Coalition submission. I will introduce the speakers one at a time and we will then go.

I will start by filling in a few other points before I do that. While environmental protection and sustainable agriculture are top of the list of purposes for green wedges and we have addressed them in our submissions, I refer you to pages 12 and 13, point 4; and page 22, point 6. We are relying on the environmental groups to provide you with the details in their presentation while we focus on planning considerations, and some of our groups, like Kelly Brooks-Macmillan from Cardinia Environment Coalition, covered that in more detail too.

We say that this proposal is fundamentally unsustainable. I refer to the *7.30 Report* from last night and also the *Age* of this morning, which reported on the decline of the woodland bird species. There are recommendations from academics that if we spend \$50 million a year, we could halt this decline, but what is the point if we continue to allow habitat to be cleared?

I refer also to Kelvin Thomson's excellent address to the VNPA Grasslands Family Day on Saturday, and I have also attached that and copied it for you, because I think he makes a really good point with his analogy to the obese man letting out his belt, rather than controlling his weight.

We do say there is a need for a population policy and a new population summit with genuine community representation. The government held a population summit before adopting the target of 4 million for Melbourne, and now it is just suddenly drifting to 5, 6, 7 and apparently some people are talking 8 million. We say, before it goes to 5 million, there should be another population summit for the community to actually discuss whether or not that is what we want; nothing to do with racism, just whether this city can stand that and still remain livable; whether it might be better to do other things, such as perhaps provide some of the growth for regional centres, which I know many of them are crying out for. If we are going to be creating new jobs like the Hume spokespeople were saying, why not create them in Bendigo and Warrnambool and places like that — I am not sure about Bendigo, but I know there are a number of regional cities which are wanting extra population.

European and British cities do not just expand their boundaries to meet the demand. If they did, there would be no forest or farmlands left in those countries. Japan maintains a proportion of its land for conservation and farmland. I think it is about 70 per cent, which, ironically, is the percentage required by the interface councils. I think it would

be great if this committee could find out what impact the UGB move will have on this ratio for Melton, Wyndham and Hume municipalities. I am not sure about Casey.

Even the councils have complained, but not been heeded. We have heard today that Hume is not happy with the way the UGB was drawn, even though they are a pro-growth council and they want the growth. Obviously, the government has not listened to what they have been asking for and the way they think it should have been. We would have probably argued with however they wanted to expand the urban growth boundary, but that makes the point. However, Casey council, as members of the committee will know, has made a strong submission opposing the whole of the green wedge land grab; they want the UGB maintained where it was. If you look at the map, which unfortunately we cannot do, you would see that the old UGB was designed to run across the Western Port catchment and to protect it. The concern is, of course, that this catchment will now be exposed to run-off, and belief is that they could harm the health of Western Port bay.

**The CHAIR** — I just want to draw to your attention that if you want other people to speak, you will have to wind up.

**Ms WEST** — Instead, despite all of the submissions, the UGB looks the same as it was in June, apart from a couple of minor amendments to the outer Melbourne metropolitan ring-road. Basically, we have supported the Taxed Out position on the GAIC, and I will not go into detail on that, but we would like to hear from the land-holders.

Frances Overmars coordinates the Western Plains North Green Wedge Group, and we have three land-holders here who lose their properties if this UGB expansion goes ahead. Frances, as I said, is our coordinator. She also lives in the green wedge and her property is bang in the route of the destruction: I would like to introduce Frances.

**Ms OVERMARS** — Hello everyone. I have put in a personal submission. I do not know whether you have had a chance to read it, but it describes what it is like to live out in the western plains green wedge. We all have our hobby farms; we have small businesses — slashing; we have olive groves, wineries, llamas, chooks, you name it.

We have lived there for 37 years. We moved into the green wedge because of the community and proximity to work; my husband worked at Altona and I worked for the RAAF. We live on a native grassland, which we did not know about until we arrived. We have been looking after it and would like to protect it. We have investigated the BushBroker scheme, which the government manages, and have found that we could be recompensed \$220 000 a hectare up to about \$440 000 hectare. That is by no means a realistic figure in regard to the possible value of our land, which is, of course, affected by the GAIC. That is one thing.

If the government is genuinely committed to protecting the grasslands for private ownership within the proposed green wedge and within the existing green wedge, the recompense needs to match the reality of the values of the land. That is something that really needs to be addressed. The proposal in the planning scheme is to wipe out our grassland and with the offset money create the new grassland reserves, which is a very credible aim, but it does not follow the Victoria's Native Vegetation policy (land management guidelines) in that there is no net gain if you wipe half of what is available within the existing urban growth boundary. I am very much for the grasslands.

We have EverGraze workshops. I attended this one at Ballan last week when it was held for the farmers in this area. It was about perennial grasses used for native pastures; they hold the soil down — I should have mentioned this at the earlier hearing — and all of the latest information on agriculture for native grasses, the groundcover, summer feed, low impact for agriculture. Our area is the second most productive area for agriculture in Victoria, including in the Port Phillip area in Victoria. So, yes, it is impacting on us enormously.

At Werribee and Melton the traffic is terrible, infrastructure is terrible. Why not make the quality of life better for the people who are living in the area without compounding the problems with further houses and so on.

**The CHAIR** — Thank you, I will have to pull you up there. Who is next, Rosemary?

**Ms WEST** — Wendy Campbell from the Wollert Action Group; I think somebody was picked up on the pronunciation this morning.

**Ms CAMPBELL** — I call it Wollert and I do not care what anyone else calls it as long as it remains my home. I have lived there for 23 years with my husband. My husband has lived there for his entire life; he is 49 years old. His parents built that property from the ground up. His father built the house. It was left to my husband. It is an extremely emotional subject for both of us. It is where I raised my children and I always intended they would raise theirs.

Money is no object to us. We are certainly not rich; do not get me wrong. You cannot buy what we have. For one, it is not for sale, and, two, the emotional connection to us is something I could never part with. I was brought up on the land. My parents-in-law thought it was such a special place to live that my mother-in-law did not want to leave, and she did not; she was taken out when she died. She died there. It is too precious to us to have taken away. You cannot buy it. You cannot throw money at us and say, 'You can relocate'. It is inhumane to do that to people and to expect them to accept it and just pass on and go off somewhere else. We are terribly dedicated to the Wollert and Woodstock communities. We are CFA volunteers. If Danielle Green was here, she would agree with me about how passionate we are.

There are three photos here. There are 23 river red gums on our property of 10 acres, all within the age of 400 years and up. They are too precious to us to leave.

As CFA volunteers every year we go out and we fight to save communities. I implore you today: please help us to save our community, because that is exactly what it is. To put an urban growth into it would destroy it totally — not just for us but for the entire communities of Wollert and Woodstock. We were very lucky on Black Saturday. If the wind had not changed, we would have been the people you would be doing bushfire recovery for. Today we are faced with bulldozers in the form of either urban growth or an E6 freeway.

I am here just to ask you to show a bit of compassion for the people who are Australian citizens. My father-in-law was a returned serviceman — he has passed on now. Surely what he fought for — for our rights in a democratic society — must be observed.

**Mr SMITH** — Can I just say that we are not all from the government. We have a hard time with the decisions.

**Ms CAMPBELL** — I am sorry, I did not mean to imply that you all were. I just see it like that. I do understand you are not all from the government.

**Mr SMITH** — We are an all-party parliamentary committee.

**Ms CAMPBELL** — I apologise for that.

**Ms WEST** — Greg Heffernan is the president of Taxed Out, northern region. Greg is also a land-holder who is affected by this. I think the position of Taxed Out is that it is focusing on the tax, because all its members agree with that. Not many of their members would be happy to sell out. I think a lot of their members — I know I was just talking to a few of them in the gallery on the way out — have written letters to Minister Madden to say they want to be outside the urban growth boundary, and they have not had a reply as yet, which is just a bit of a concern. I know there was a Taxed Out meeting at Melton where I think a whole roomful of 500 people were saying they did not want to move. Similarly, there was one in the north.

**Mr NARDELLA** — They were not saying that.

**Ms WEST** — They were not saying that?

**Mr NARDELLA** — No, they were not saying that, Rosemary.

**Mr HEFFERNAN** — I have a number of issues. I will just hand out a plan of where my farm is and the house, which I have mentioned here. I have a number of issues, but these are the main ones. I have a farm that is 217 hectares, and I am a cattle farmer. I have a net developable area of around 24 hectares and a VicRoads public acquisition overlay of approximately 12 hectares. That 12 is on the best developable land that I have. With that public acquisition overlay, I have just finished that building that you can see there. It is 30 metres from the new Outer Metropolitan Ring-road. This is how this thing is actually impacting on me now.

That leaves me with approximately 181 significantly constrained hectares. I am also surrounded by Delfin on three sides. It has approximately 1000 hectares. I suppose I am a classic example of how a developer does not want small acres, because I have talked to them in the past and they have said, 'We just want to develop our own land. We have got plenty of it'. I said, 'What are your time frames on developing 1000 hectares?'. He said 'Oh, 20 years'. They surround me, so I do not know who else is going to be interested.

In particular I have a significant landscape overlay, because basically my farm is central to Bald Hill. The reason for the significant landscape overlay is for the visual amenity of the area and to give people a sense of place. When I stand on top of my hill, and I look back at what will possibly happen in this area, I will look over 3000 acres of containers and railway yards, a sea of roofs from houses. My house will be alongside the eight lanes of the OMR and the four railway tracks going through the middle of it. Alongside, on the other side of that, is the Melbourne–Sydney railway line with four tracks. On the other side of that there are four lanes of the Hume Highway and also the biggest road intersection imaginable, stretching between Kalkallo and Beveridge. I have to supply something nice to look at, so I have a real issue with significant landscape overlays.

To add to the problems I have with my home being alongside the OMR, Donovans Lane will cease to exist and, with it, my only access. VicRoads reply to my problems

is, 'You will not be given access'. I have asked this three times, and VicRoads has said 'That's it. You are not getting access to it', and, 'All your problems will be fixed by development'. That is its answer, so I do not know what is going to happen.

I have had a lot of trouble with consultation. I have asked and asked the GAA what is going to happen with my place — 181 hectares of it is significantly constrained. When I asked at one of those meetings, some were saying that there should be a quarry there, or there might be biodiversity, or it is a flood plain; no-one seems to know. I am waiting for actual clarification on a lot of those things. I asked Peter Seamer, I actually had a meeting with him, and he said, 'Look, your situation needs more scrutiny, and we should be able to help you with that'. I am still waiting.

Just a little thing I picked up on in Wyndham's submission, they said that they would be able to cooperate with the GAA with whatever they want to do and to work with them. If the GAA has stood on so many small landowners' toes and upset so many people, how much cooperation will those land-holders actually give the GAA in the future?

**The CHAIR** — Thank you for that. I see there is one other person who has turned up.

**Ms WEST** — This is Kelly Brooks-Macmillan.

**The CHAIR** — Would you like Kelly to make a statement as well?

**Ms WEST** — Yes.

**The CHAIR** — We will need your postal address, and you will have to sit closer to one of the microphones; otherwise we will not be able to pick up what you say.

**Ms BROOKS-MACMILLAN** — My postal address is P.O. 254, Beaconsfield 3807.

**The CHAIR** — You have 3 minutes.

**Ms BROOKS-MACMILLAN** — The main thing I want to stress is that there are three points. The first is around bandicoot habitat and populations and the concern about the fragmentation and isolation. I have two maps here — one which shows the existing potential connectivity that is there, and one which shows resistance in the surrounding areas, largely due to urbanisation — and I want to say what a big missed opportunity it is going to be for the potential to improve the species; in fact, it is going to have a big impact. In Dandenong city and Springvale council populations became lost in 1976. In Langwarrin they became lost in the 1980s. They were common in The Pines in the 1970s and 1980s, and declined in the late 1980s. Koo Wee Rup populations are hanging on mainly because of living through drains. The populations need more than mere token corridors that fit in after all of the GAA priorities are considered. There have been loads of submissions on bandicoots, so I will just limit it to those.

Current and future generations deserve to have these and other species in existence naturally, not just in isolated, heavily managed areas like the Royal Botanical Gardens in Cranbourne.

The GAA did not provide various options to assess the sustainability outcomes. The process has been driven by vested interests rather than for the benefit of all of Melbourne and Victoria. There is no transparency. Community consultation for development of options and final considerations of options is a must. There needs to

be an independent watch over the GAA, and generational equity is not just about alleged housing opportunity.

The lack of outcomes is another problem with the other inquiries that have occurred and the biodiversity green paper. These things should feed into policy in decision making. It is a waste of taxpayers money and the community's time and resources to put into all these processes. Those processes would have been ideal to help decide about Melbourne's future.

The last one was the protection of the food bowl for now and future generations. This has been supported by Casey council's bid for further excise of agricultural land.

Complementary policies should be developed for a holistic approach to population housing, livability, environment and biodiversity.

**The CHAIR** — Thank you. I have to call quits at this point because time is running out. From my own viewpoint, can I say especially to land-holders that it does not matter who is in government, time moves on and growth will take place within the fringe areas of Melbourne. We cannot stop it. No-one can stop it because people are moving into the area so it will take place, regardless of which party is in power. I have seen that growth all my life. I have seen it in my own area. If farmers could not afford to pay the rates, they would trade off some land to the council and so forth to cover their rates, while they were holding on to the rest of the land to develop. This is life. It goes on. When we built the Western Ring Road we had to bulldoze clubs, organisations, buildings and factories to provide for progress, which you cannot stop. I am just saying that so you should be looking at your own — —

**Mr FRANKE** — Progress you can control, though, and this government is not controlling it.

**Ms WEST** — This is not progress.

**The CHAIR** — You can control it. I am just saying to the land-holders themselves, that they need to look at — —

**Mr FRANKE** — The land-holders are looking for consistency.

**The CHAIR** — I will now throw it open for questions.

**Ms WEST** — I thought it was for us to present and then answer questions, not debate. I would really like to argue with you, but I do not want to waste the other committee members' time doing that.

**Ms HARTLAND** — I completely agree.

**Ms WEST** — Your government said you could stop progress and protect the green wedges, and now are saying — —

**Mr SMITH** — Rosemary, just settle down.

**Ms HARTLAND** — Thanks very much for the presentations, and I have really appreciated the work all of your groups have done. I have had an opportunity to visit with Wendy and I have been out to see Frances's property, and that has been incredibly helpful.

Wendy, I wanted to direct a question to you because Mr Madden — and I am not sure where the meeting was — said that anybody who did not want to be in a UGB just had to tell him and he would fix it. He has talked about this a lot in question time and

how nobody has ever asked him to do that. I sent out an email to a number of people who have emailed me and Mr Madden, and I understand you have had a letter back, so would you like to talk about that? You do not want to move?

**Ms CAMPBELL** — No.

**Ms HARTLAND** — What do you think about the letter?

**Ms CAMPBELL** — All you get back in a letter from Minister Madden, and I only got it last week, was the same old rhetoric. I do not mean to be offensive, but to me it is rhetoric that you cannot stop progress, we need Melbourne @ 5 million et cetera. Unfortunately, you are not looking at us as people, as voters, as human beings. We live on federally-listed, critically endangered volcanic grasslands. We nurture that land. Those trees are growing in that as a result of a natural habitat to them. You cannot offset that, but Minister Madden has merely acknowledged that he has received my letter, and it took nearly three months to get the acknowledgement.

I am sorry to say I find it very disappointing that we can be merely passed off as a mere consequence — a person who is in the way — when it is our right also to live where we choose. That is a democratic society. It is all about democracy and conservation. We nurture that land. We look after it. Surely we are entitled to stay on it.

Urban growth may have to happen, but we also must keep our green wedges in place for everybody to live peacefully and naturally. You cannot get air from any other way but from the trees et cetera, conservation and environment. It is very important.

**Mr GUY** — The submission is so comprehensive I am not sure what to ask. I think I will just pass to Ken for now but say there are parts of it I agree with, parts of it I do not agree with, but I thank you. We have met on plenty of occasions and I think it is an important submission for the committee to take and to hear from your group. I would be interested in some of the slides, Rosemary, when they do eventually work. Thank you for coming in and I might have a couple of questions later on.

**Ms WEST** — There are a couple of grassland pictures for Frances, and there were the Merri Creek trees.

**Mr SMITH** — I have an appreciation for your concerns for the green wedges. There has to be development, but it is a matter of which way that development is going to go and what consideration has to be given to protecting some of the good things we have. I do not know about you, but I live in a rural area, San Remo, and I do not fancy having to live in multistorey buildings in Melbourne or in the suburbs. One of the problems we have is that we tend to have to move out.

I represent an area in Clyde and Koo Wee Rup where this government has put lines around and said it is going to take up some of the best agricultural land. I do not want to see that happen, so I have an appreciation for what you want to protect. I want to be able to protect what we have, and I understand where you are coming from in wanting to protect what you want to protect. We have to get a balance in this. We have to see that the government, somewhere along the line, is going to give some consideration instead of having somebody sitting on their bum in an office drawing a line and saying, ‘This is all right; we will follow this bit of a creek line here and bit of a tree line there, and that will be okay’, not really knowing what is in the middle of it. That is something that has to be looked at.

You have a problem with what they are doing to you, and you have a problem, Greg, with what they are doing to you as far as your property is concerned, so the only way you can do this is to keep pushing the government. They say they have been listening.

They have shown that by the backflip that was done last Friday. It is only because we have put some pressure on them that they have actually listened, and I am talking about groups like your own and Taxed Out that they have listened to. But what they have done now is not much better than what they had before. They have just shifted who is going to pay and how much they are going to pay.

**Ms WEST** — In some ways it is worse.

**Mr SMITH** — They have not really looked at the content of the land that they have put the boundaries around. I think it is just a matter of continuing to push. I think you have until 2 December for huge consultations — —

**The CHAIR** — November. Do not mislead them.

**Mr SMITH** — November; you have got two weeks to get in a submission after they have rejigged the whole thing, and you might finally get to have a bit of a look at the legislation they are planning on bringing in. So after all these months a complete backflip and then you have two weeks to work out what you are going to do. All I can suggest is what you have put in here — and I have only had a quick flick through it this afternoon as you have been talking — is quite a good submission. I do not agree with everything. Far be it for me to say that I am a bit of a greenie, because Colleen will think, ‘That’s terrific; he’s changing his position’.

**Ms HARTLAND** — I have converted him. I will have him eating tofu next.

**Mr SMITH** — But I do have an appreciation for the things you are talking about.

**Mr FRANKE** — Ken, we are not parochial at all. We are not looking at Clyde; we are looking at Melbourne as a whole. Planning needs to take place for the whole of Melbourne, and the green wedges are the lungs of Melbourne. We have policies in place in Melbourne 2030 that mean we do not have to move the UGB if we get a government with backbone. I am pushing not only this government but the opposition. I am pushing anybody. I support Melbourne 2030 planning, and I have done it for 40 years. I have supported the MMBW right through because I believe it is a vision for the future, and at the moment the vision is being shot to pieces.

We need to follow in the footsteps of Montreal and Toronto. We have to increase densities in the areas we have. The UGB change is just marching to the tune of the developers. They do not need the land. The population boom is a myth. Melbourne 2030 was promising 1 million people, so that was 4.6 million.

**Mr NARDELLA** — The population boom is a myth?

**Mr FRANKE** — By 2030, 4.6 million people. You are saying 5 million now. That is only 400 000, and MMBW was out by 1 million, so get things in perspective. This is not a major problem. It is something that can be sorted out by proper policy.

**Mr SMITH** — You mentioned Toronto. On another inquiry, not this one, Toronto was one of the places in four major countries our committee visited and looked at what they have as far as planning, because this is a problem everywhere. Populations all over the world are growing and we have to be looking at what is going to happen. Toronto was one of the places we went to. We learnt a lot from there, and what we learnt will be in a report to be tabled early next year. We hope the government will look at some of the things that we have suggested, because they are very relevant to what is happening now.

**Mr NARDELLA** — There has been evidence produced to the committee today that the Green Wedges Coalition has not met with Minister Madden. Is that correct?

**Ms WEST** — The Green Wedges Coalition asked for a meeting with Minister Madden in early December immediately after the investigation areas were announced. We got that meeting on 17 March. That is the only meeting we have had. We have not had a meeting with Minister Madden since the new proposed draft boundaries were announced on 17 June. We have been invited in for a meeting with Minister Madden next week on the GAIC, which is not our principal issue, although I am happy to expand a little bit on it because Mr Smith commented. We also thought, as did the *Herald Sun* obviously, that it was a backflip and that the problem had been solved, which I thought the government would be easily able to do, but clearly the situation, if anything, is worse because it is worse for ordinary landowners, for Frances. If Frances sells to another conservation landowner — no developer is going to be jumping at Frances's property; it has powerlines over it and grasslands and all sorts of things — Frances's purchaser is going to be up for the GAIC, so she is, if anything, going to be worse off.

**Mr NARDELLA** — If it is developable land.

**Ms WEST** — We then said, 'If the GAIC is on the developer, what would we think?' and emails went round, so this is very tentative policy. We have not had a general meeting to talk about it. Our feeling is that if the GAIC is put on developers, it should actually be increased to a realistic amount. We have had various estimates.

**Mr NARDELLA** — The GAIC should be a realistic amount?

**Ms WEST** — We have had the government estimate that the GAIC only raises — —

**Mr NARDELLA** — What should it be, Rosemary? What is a reasonable amount?

**Mr GUY** — Hang on; do not interrupt her.

**Ms WEST** — Can I finish the comment?

**Mr NARDELLA** — Yes, I am still waiting.

**Ms WEST** — Thank you. We have had a government source estimate that the GAIC will cover 15 per cent of the necessary infrastructure. That means \$11 billion missing, so we say increase the GAIC to cover that. I think EV yesterday produced another source that said 40 billion, so that is another figure and the Metropolitan Transport Forum suggested that in fact the community will be up for \$102 billion because we are choosing development by sprawl rather than development inside the existing urban growth boundary.

I am convinced we can have this level of development inside the urban growth boundary without high rise. There are developments approved all over the city, some in my own council where I am a councillor, where developers have a five-storey apartment block here and other things there, and they are not bothering to develop them. So developers are sitting on properties all over Melbourne. I know the Municipal Association of Victoria is actually doing a reckoning of this. There have been articles in the paper; this is not original. There is plenty of room in the urban growth boundary to fit the level of population we are looking at at the moment. Whether we do want to go to 6, 7 or 8 million, personally I do not think it should just automatically slow.

**The CHAIR** — I have to stop it at this point — —

**Mr NARDELLA** — No, she has not answered my question.

**Ms WEST** — I am not going to answer your — —

**Mr NARDELLA** — No, you're not. That's the problem, right?

**The CHAIR** — I am going to have to finish it — —

**Mr NARDELLA** — Why haven't you responded in regard to the meeting that has been offered to you by Minister Madden?

**The CHAIR** — Order! Time is running out.

**Mr NARDELLA** — No. 2, what should the GAIC be?

**Ms WEST** — We are going — —

**Mr NARDELLA** — If it is not \$95 000, what should it be — a million?

**The CHAIR** — Order!

**Mr NARDELLA** — What should it be?

**The CHAIR** — Order! Time is running out. I am finishing this session.

**Ms WEST** — This is not Parliament, Mr Nardella, you know. This is supposed to be a committee.

**Mr NARDELLA** — I am asking you.

**Ms WEST** — The question that we have — and we are meeting with the minister's staff on Tuesday. We would never knock back a meeting we are offered by a minister. We are going.

**Mr NARDELLA** — And what should the GAIC be?

**The CHAIR** — Finish it.

**Ms WEST** — Whatever the realistic figure is, we say it should be, but only on developers at the point of development, not on land-holders trying to sell properties. That is what we say.

**Mr NARDELLA** — Thank you.

**The CHAIR** — We have finished this session. I thank you very much for your attendance and your presentation. I still say that the land-holders need to look at it, so that they are not disadvantaged in the process that will be taking place in the future. They need to look at their situation on that. In due course you will get a copy of the transcript to proofread. Thank you very much for your presentation.

**Mr SMITH** — And some of us were interested in what you had to say.

**Ms WEST** — Thank you very much.

**Witnesses withdrew.**

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### Inquiry into urban growth boundary

Melbourne — 22 October 2009

#### Members

Mr N. Elasmar  
Ms D. Green  
Mr M. Guy  
Ms C. Hartland

Mr D. Hodgett  
Mr D. Nardella  
Mr G. Seitz  
Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Mr K. Delaney

#### Witnesses

Victorian National Parks Association

*Ms Megan Clinton, Acting Executive Director (affirmed), and*

*Ms Yasmin Kelsall, Small Parks and Project Officer (affirmed),*

**The CHAIR** — I welcome you here. The hearings are conducted under sworn evidence, so you have parliamentary privilege under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005 and other legislation, where applicable, of other states and territories. What that means is that whatever you say here cannot be held against you. We afford you such privilege but for whatever you say outside those privileges are not there for you. After you take the oath or make an affirmation, please give us your postal address, so that we can send you a copy of the transcript.

**Ms CLINTON** — My address is 8 Eden Street, Footscray 3011.

**Ms KELSALL** — My address is 5 Bourke Street, Brunswick 3056.

**Ms CLINTON** — We are presenting for the Victorian National Parks Association, with particular reference to the impact that it will have on the environment. I am here with Yasmin Kelsall, who has been working on this project and worked with our executive director, Matt Ruchel, in getting the submission to the strategic impact assessment done, so she will speak. I might add some bits through the presentation, but I will hand over to her now.

**Overheads shown.**

**Ms KELSALL** — Today we will be specifically addressing the impact of the expanded urban growth boundary on the environment. That is the particular angle on the terms of reference that we will be addressing.

It is worth noting in regard to our submission that we wrote it primarily in response to the strategic impact assessment of the expanded urban growth boundary, which is a national process and relates mainly to national matters for target under the Environment Protection and Biodiversity Conservation Act 1999. So keep that in mind when you read our submission, or if you already have.

Basically, and moving back to Melbourne again, let us have a look at what this means for Victoria. On the EPBC act, Victoria needs to actually meet the obligations of the EPBC act in regard to what happens on ground in the expanded urban growth boundary and also within the existing urban growth boundary.

We have approximately 32 threatened flora species and 25 threatened fauna species that could exist within the expanded urban growth boundary. We also have, as mentioned before by the green wedges people, the natural temperate grasslands of the Victorian volcanic plains, which are critically endangered and of which there may be 6918 hectares cleared under the current proposal, as well as around about 924 hectares of critically endangered grassy woodland areas.

Firstly, we must meet the Australian government's EPBC policy for offsets if we are to impact or clear those areas. Secondly, we also have obligations under Victorian legislation, namely the environment and planning act of 1987. The main two clauses are clause 11 and clause 15.09, both relating to the balance between the environment and settlement. In particular, clause 15.09 requires that responsible authorities have regard for what we call Victoria's native vegetation framework, and that sets out the three-step process of avoid, minimise and offset. That is in that order: avoid first, minimise only if you cannot avoid and then offset only if you cannot minimise. So offsetting is a final port of call.

So we know we are planning for development in Melbourne. Considering these legislative requirements, how has the state government responded? It has signed a

memorandum of understanding with the federal government to undertake a strategic impact assessment. This is one of three that are occurring in Australia, and by far this strategic impact assessment process has been the most rushed. After reading the initial strategic impact assessment report — this is the second one — we and many other organisations have found that this report is actually designed to allow clearing rather than to avoid or minimise clearing. The government has based its mitigation strategy around the three-step process of avoid, minimise and offset, but I will just run through how the actual outcomes are mainly focusing on offsetting rather than avoiding or minimising.

Starting with avoiding, the main premise that we have for avoiding clearing with the expanded urban growth boundary has been in the actual placement of the boundary itself. To us this seems fairly farcical, because normally with a development you actually start with the boundary and then you talk about how you are going to avoid within it. Essentially it is like saying we should be grateful that we do not go further, and where would further be? Maybe we should be grateful that it was not the rest of Victoria that that is being cleared. It is just a bit vague. There is also the point that it is an expanded urban growth boundary; it is not the original urban growth boundary.

Secondly, minimising: now we are talking about the area within the expanded urban growth boundary. We have really vague details about how the impact will be minimised. We see green areas on maps which are titled ‘Significantly constrained land’, and these are mixed areas that do include some biodiversity, they do sometimes have biodiversity on their label, but other times there will be quarries and flood-prone land, and we do not actually know what they are for and that detail is not there in these documents. The other thing is that under ‘Minimise’ it says that we will actually get down to the details in the precinct planning process.

Unfortunately in regard to the precinct planning process we already have evidence of how things could be using this process. We have the example of Truganina South. This is in our submission in the main submission document to the strategic impact assessment on page 21. Essentially within Truganina South we see that large areas of very high conservation significance grassland will be cleared. There are opportunities to actually retain large areas of this grassland, but they will be cleared under the native vegetation precinct plan. We have some comments there that under the current arrangements they will need an EPBC permit to be cleared. This will create difficulties for developers in finding offsets; even if the western grassland reserves were established, the difficulty of finding and paying for offsets is consistently assumed to be easier than it actually is. Also, this goes right against the native vegetation framework, and normally in cases like this you would actually need approval from the minister to clear very high conservation significance land of this kind. It should normally be a matter of state significance, and urban development does not really qualify for that, in our opinion.

Moving on, when we actually get to the process of offsetting this is where we see the major focus of this report. Basically the report states that there will be a net gain for grasslands and no net loss for grassy woodlands. Now this sounds great in theory but on closer inspection it is not so good. I will just have a little look at why that is.

I will just take the example of grasslands, because they are the majority of the important habitat that we are looking at that will be affected by this urban growth boundary expansion. It is one of Victoria's most endangered ecosystems. We are still losing grasslands because of grazing and development, and under the current proposal we will see very significant destruction of grasslands areas.

**The CHAIR** — Excuse me, is Ms Clinton going to comment as well? I am just conscious of time. You have got about 5 minutes.

**Ms CLINTON** — I am happy to answer questions at the end.

**Ms KELSALL** — Yes, okay. Basically we say that if you clear over in Sunbury and you are saying you are going to offset that clearing in these two western grassland reserves, you are not getting apples for apples. It is not the same vegetation, there are different floristic communities — you have heavy soils grasslands and light soils grasslands and the reserves are mainly lighter soils grasslands, so that is different plants and different animals.

The western reserves are not in the right place. A lot of the animals and obviously the plants associated with the areas that will be cleared cannot move. We have the example of the scarlet robin in the grasslands of the lower Merri Creek. It comes down from the mountains in summer to forage and it actually cannot travel over to the western grasslands from Merri Creek. It is a long way and there is a lot of traffic — and this is a very mobile species. Basically it cannot catch a train to Werribee.

**Ms HARTLAND** — It would be overcrowded and it would be really difficult.

**Ms KELSALL** — And keeping in mind that is a mobile species.

We also say that with what is being cleared we are getting duped. It does not add up to what we will get in the grassland reserves. This is a chart which explains how DSE has calculated net gain for the grassland reserves. Basically the green, 20 per cent, shows you what we consider to be actual gains. So of that 15 000 hectares, in 10 years time, with very good management, you may expect to see a 20 per cent increase in the actual value of the grasslands there. That would be through management such as burning and fox and weed management — things like that. The rest are what we call pseudo-gains, and they come from things like the fact that you are just putting in a park and protecting it. Maintenance gain would normally apply to private land-holders as a compensation for not grazing, for not using their rights over that land. There is also prior management gain. Again, that would normally apply to private land-holders who managed that land up until it was used as an offset. Finally, we have got no security for those grassland reserves as yet. Again, it is vague, there are no details; we have no implementation plan for them.

What will be lost in the urban growth areas? We have at least 42 sites of high conservation values with key habitat links that are at risk within the expanded urban growth boundary, and that does not include the areas within the existing urban growth boundary, where we already know there are a lot of very significant grassland areas. I have provided handouts which are a little bit out of date but they will give you an idea of what might be lost in the five areas. There is a bit more detail in this new report

**Mr NARDELLA** — Whereabouts in your report are the 42? Sorry.

**Ms KELSALL** — That is in our actual submission in this document.

**The CHAIR** — It is in your folder.

**Ms KELSALL** — I will just skip this little example I was going to give about some simple ways that we could actually see some very good improvements on the south-eastern growth area, because I am aware of time.

We think there are some easy solutions to this. The new report has actually provided a new planning process that outlines biodiversity conservation strategies which will inform growth area framework plans and subregional species strategies. We actually think that is a really good idea but we would like to see a lot of rigour around it. At the moment, again, it is very vague. We see no guidance on legal status or scope of these biodiversity conservation strategies. We think they must identify significant native vegetation and they must account for threatened species and threatened species habitat and also other biodiversity areas.

**Ms CLINTON** — Just to add to that, there needs to be really rigorous surveying in these areas because at this point in time we actually do not have a good understanding of what potentially is going to be lost.

**Ms KELSALL** — Yes, our submission covers that. They must address all areas, both within the expanded UGB and the existing UGB. In terms of a reasonable time frame, we want the opportunity for public review and ministerial approval and an enforceable status. They cannot just be motherhood documents; they have to carry through to that precinct planning stage.

Within the briefing paper to Garrett, which was part of our submission, we have highlighted an implementation plan that we would like to see for the western grassland reserves, and we need money for that up-front which could be paid for by developer levies. We will not get into that.

**Mr NARDELLA** — No, that is fine.

**Ms KELSALL** — We also think that the core areas for these western reserves should be national parks, and we would also like to see them supported by protective areas of other grasslands. We believe that grasslands need grasslands, and this is not just the western grassland reserves but actually within the urban growth area itself. There is a prescription within this document that says that you can basically clear any grassland that is not greater than 150 hectares unless it is significantly linked. We have got a lot of research to say that areas much smaller than that, we would say around about 20 hectares, are viable and also it is imperative they are part of a larger network of grasslands.

**The CHAIR** — I have to stop you at this point.

**Ms KELSALL** — That is fine.

**The CHAIR** — Your time has expired.

**Ms HARTLAND** — Fantastic presentation. In an earlier briefing I received from the Growth Areas Authority and the DSE they talked about how they could manage the grasslands in terms of what would be lost. What I understand is that significant grasslands that you could just — there is a possibility — move it or transplant it. What is your opinion on that?

**Ms KELSALL** — Sort of something like plant rescue?

**Ms HARTLAND** — Yes.

**Ms KELSALL** — Like rescuing the plants and moving them?

**Ms HARTLAND** — Yes. Can you tell me anywhere where it has worked?

**Ms KELSALL** — I have not heard of anywhere where it has worked before. I do know that the Merri Creek Management Committee had some success in restoring a small grassland, but it is very costly — it is extremely costly to do that.

**Ms CLINTON** — And it is probably also worth noting that actually the soil composition is different, so if you are going to take it out of one area and put it into another area, you have got to find a similar kind of habitat. It becomes incredibly, as Yasmin said, complicated and costly, rather than just looking at where they are doing efficient surveys, actually protecting those within the UGB and putting proper sorts of regulation in place to actually protect them.

**Ms HARTLAND** — The other issue is weed control. Do you have any figures on what is a realistic amount of money the government would have to pay and spend to do good weed control in the reserves each year?

**Ms KELSALL** — To be honest, no. That would be completely off the top of my head. No, basically — sorry.

**Ms HARTLAND** — Is that something you could come back to us with if anybody has done that work?

**Ms CLINTON** — We could potentially investigate it.

**Ms KELSALL** — Yes.

**Ms CLINTON** — If we can find out figures we are happy with, then we can get back to you.

**Ms HARTLAND** — That would be great; I would really appreciate that.

**Mr GUY** — Thank you very much for your presentation — it was quite comprehensive. Again, I plead ignorance on this. I am finding a lot of this material as we go along, but the environment minister tells us all in question time that the government is going to save the largest amount of native grasslands in — am I right, Colleen? — in Victoria, Australia or the western part of Melbourne.

**Ms HARTLAND** — Yes.

**Mr GUY** — How does this equate to reality? Do you think this is in the right areas? Do you think this is a piecemeal approach to what has been lost, or is it comparable? How does the VNPA take it?

**Ms CLINTON** — I will answer and then Yasmin can go more into the detail. But when you look at it, yes, we welcome the two reserves. They are significant. As Yasmin said, we have got less than 1 per cent of these grasslands left. So, yes. But the thing is that the grasslands within the UGB are not actually similar to those outside the UGB. So by protecting those it does not mean you are protecting everything. The species are different and the species composition is different. There will be a significant loss by losing those grasslands. Considering we have got less than 1 per cent, we are really not in a position where we can be losing anything at this point in time. So to say we are better off just because there is a different status for grassland outside UGB does not mean we are better off, because we are actually losing something that we are not in a position to lose at this point in time.

**Ms KELSALL** — As Megan said, we are really happy about the grassland reserves. They are fantastic; they are a great initiative. Yes, we would really like to see a strategic conservation network of grasslands within the urban growth boundary as well. We are not talking about actually every single piece of grassland. That needs to be made clear. But we really think there is

value in retaining the high-quality areas that are left, and that they would really add something to the urban growth areas.

**The CHAIR** — Just for myself, I have a personal question. In the past I was involved in establishing the Organ Pipes National Park, Brimbank Park, Gellibrand Hill park and the Fitzgerald Road wetlands area. Those examples I just mentioned are just a few I have been involved in apart from the railway easements and saving the grasslands and native fauna in that area. When we were talking about the UGB and growth areas, do you see them a little around amongst everywhere, or do you see it would be examples like that where they have a reasonable-sized area that is set aside that is significant rather than having what I finished up with in Caroline Springs with a little pocket of native grass here and a little pocket there, which is really not conducive for the community, people or public to learn and appreciate it or for Parks Victoria even to handle it. I mean I do visit the Organ Pipes and Gellibrand Hill parks. I take tourists there because tourists would not know. I see it now. It has not got the attention it used to have and the enthusiasm.

**Ms KELSALL** — I suppose there are parks for different reasons. We are talking about conservation primarily for flora and fauna. But there is plenty of scope for involving and adding recreation and amenity uses within these conservation areas. A great example is the Kororoit Creek regional plan. There is a number of areas of grassland that could nicely be added to that. I understand that is a great area already for recreation. There are opportunities like that that exist in the south-east as well. I think there is scope for those types of things as well. We are talking about the highest quality grassland areas.

**The CHAIR** — This is what I am talking about — if you have a reasonable area. Within the Organ Pipes we have reintroduced the sugar glider, we have reintroduced wallabies, we have reintroduced the natural flora and fauna that used to be there — it was all decimated. This is what I am saying. If you have a reasonable acreage of land, you can do that rather than if you only have little pockets where nothing can survive, really.

**Ms CLINTON** — I think you are certainly right. In terms of certain species, you do require a large area, and in terms of managing it is quite costly if it is small. I suppose grasslands are slightly different from a lot of other areas. You can get tiny little pockets that have species that are found nowhere else and you could have species like the golden sun moth that does not require a huge area but is quite picky about where it is. Some of those little pockets are quite important although, yes, they are quite disparate across the landscape. They are really important to manage and protect as well.

**Mr NARDELLA** — I just want to commend you on your submission in that it does detail — and I just had a look at it — what you are recommending should be retained. Would that be on top of the 15 000 hectares, or would you be happy with taking out some of the land in the 15 000 hectares to be replaced with some of these other areas? It might be making the decision of Solomon but what if that was to occur?

**Ms CLINTON** — I think when you end up with a situation where you have got so little remaining, such as is the case with grasslands where you have got less than 1 per cent, I do not think we are in a position any longer to lose any more. Considering that the species composition is different outside in comparison to inside, I would say, no, they both need to be protected, but keeping in mind, as Yasmin says, it is not all of the grassland inside the UGB: these are strategic high-quality areas that need to be assessed so we can identify them specifically and protect them.

**Mr NARDELLA** — And that is what I appreciated with your submission. Thanks for that.

**The CHAIR** — Thank you very much. Well done. In due course you will get a copy of the Hansard transcript to proofread.

I would also like to thank the audience and members of the public who attended the hearing and compliment them on their excellent behaviour and being very quiet. We had no disruption from the audience; we had more disruption from our committee members!

**Committee adjourned.**