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LEGISLATIVE COUNCIL
Select Committee on Public Land Development

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The Secretary
Select Committee on Public Land Development
Legislative Council, Parliament of Victoria
Spring Street
MELBOURNE VIC 3000

Dear Mr Willis,

Inquiry into the Sale and Development of Public Land and Open Space

Moirashire Council is pleased to have the opportunity to make a submission to the all-party Select Committee of the Legislative Council undertaking this significant Inquiry.

It appears that a number of the issues likely to be addressed by the Inquiry may have little impact on rural Local Government, nevertheless, the terms of reference are sufficiently broad to provide for the consideration of issues such as the transfer of public lands or public open space to Local Government and Council wishes to make a submission in relation to this matter.

At its meeting on 20 August 2007, Council resolved to submit the following proposal to the Inquiry:

When it is proposed that State Government owned land be transferred to local government for an agreed continuing community benefit, then the practice of full market value being charged for the land should cease and the land should be transferred on a no cost basis.

The following comments are made in support of this proposal.

Local Government has a long history of using and managing reserved crown lands, usually for recreation purposes and usually under an arrangement where Council is appointed as committee of management over the land. Under these circumstances, the land remains in the ownership of the crown.



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The Secretary

Circumstances arise, however, where Local Government seeks to develop reserved crown land for a different purpose to that for which the land was reserved or seeks to develop non-reserved State Government owned land. In the circumstances where the State Government agrees to the proposed development, it is common practice that the State Government charges Local Government full market value for the land.

Where the State Government owned land is sought for a commercial purpose or for any purpose that does not have a continuing community benefit, this practice of charging full market value for the land would seem to be reasonable.

However, charging Local Government full market value for land that is to be developed for continuing community benefit seems to be counter-productive and, arguably, misses the point that the public land will remain public land regardless of whether it is "owned" by the State Government or by Local Government. Such a practice increases the cost of a community project, sometimes to the point where it ceases to be viable, and fails to recognise the special and irrevocable relationship that exists between the State Government and Local Government.

There have been numerous examples of this apparently nonsensical situation throughout Victorian Local Government. Two current examples in Moira Shire are the attempts by Council to gain ownership of parcels of unused railway land in both central Cobram and Picola to develop community recreation and open space facilities.

The Select Committee is asked to give this submission its serious consideration and to recommend the adoption of the proposal in relation to the transfer of State Government owned land to Local Government.

Council is not seeking to give evidence in a public hearing, however, should any clarification of Council's position be required, you are invited to contact myself or Council's General Manager Development.

Yours faithfully

Gavin Cator
CHIEF EXECUTIVE OFFICER

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