

CORRECTED VERSION

SELECT COMMITTEE ON PUBLIC LAND DEVELOPMENT

Geelong — 18 March 2008

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Witness

Cr P. Semmens, mayor, Borough of Queenscliffe.

The CHAIR — I declare open the public hearing of the Legislative Council Select Committee on Public Land Development. Today's hearings are in relation to public land development, in particular the development of public land in the Geelong–Bellarine region. I welcome the mayor of the borough. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and subject to the provisions of the Legislative Council standing orders. Any comment you may make outside the hearing may not be offered such privilege. There will be a copy of the Hansard transcript provided in the next few days and you will have the opportunity to make some typographical corrections. I will just ask you, councillor, to give us some brief discussion, and perhaps we will ask a few questions.

Cr SEMMENS — Thank you for inviting me to address the Select Committee on Public Land Development. I would like to begin by addressing some of the issues which have been raised with you by the Queenscliff association.

First of all, I refer to the freehold land in Murray Road: that land, referred to in the Queenscliff association letter, is in fact land which is freehold land owned by the Borough of Queenscliffe. The Borough of Queenscliffe is intending to sell a part of this land in order to fund some council projects. The land it intends to sell is land which has had significant amounts of soil dumped on it over the years and consists of about one-third of the land in Murray Road. The greater part of the Murray Road land is adjacent to Ramsar wetlands and contains rare and endangered vegetation, and council is unable to sell or subdivide this particular area of land. The rare and endangered vegetation on this site is managed through a number of acts that you would know about: the Planning and Environment Act, Flora and Fauna Guarantee Act, and the Catchment and Land Protection Act.

Golightly Park is also freehold land owned by council. There are currently no plans to sell Golightly Park in the life of this council. Rather what council is currently planning to do is undertake a study of Golightly Caravan Park with a view to looking at the possibility of setting up some cabins in Golightly Park in order to increase council revenue from the park. Golightly Park is a park which consists of long-term residents who own caravans in the park. Many of the residents are from Ballarat, and many have owned caravans in the park for 30 years or more. Golightly Caravan Park currently has a rather dejected feel to it, and council hopes that by mixing cabins with caravans it will be able to bring the park to life.

The high school site land was given to the borough by the state government in 2002 following a long community consultation process. The community advisory group was set up in 2001 following a large community demonstration on the land in opposition to the proposed development of the site for housing. The purpose of the group was to advise the state government on the disposal of the site and was chaired by Elaine Carbines. The group produced its report in December 2001 following a very substantial survey of community preferences, which resulted in more than 1000 responses to the community advisory group's questionnaire. The community advisory group recommended that part of the site be retained as open space, part A; part be developed for community uses, part B; and that part remain with Treasury and be developed for housing.

In the context of the state elections and the marginal nature of the electorate, the community advisory group report and its recommendations were accepted by the Victorian government. Council hopes to use the land to build a community hub comprising child-care facilities and a neighbourhood house, but at present the costing of that hub is in the region of \$8 million. For a small council, \$8 million is a significant sum and the Borough of Queenscliffe council is trying to develop some ways of developing a longer-term plan to raise the required amount of money. The Borough of Queenscliffe council is currently developing some long-term strategies to raise sufficient funds to build on the site. The sale of the Murray Road land is a part of the strategy to raise sufficient money to allow us to build a community centre on the site.

In relation to gaming machines within the borough, the Borough of Queenscliffe council fully endorses the comments made by the Queenscliff association. Queenscliff currently has 50 gaming machines within its boundaries for a permanent population of 3200, more than any other local government area in Victoria, but I suspect that gaming machines are probably beyond the terms of reference of this Select Committee on Public Land Development.

Moving on to some issues which Queenscliffe Borough Council has asked me to raise with you: the Borough of Queenscliffe is surrounded by a significant amount of coastal Crown land. The Borough of Queenscliffe probably has more coastal Crown land than any other municipality in Victoria. I am presuming for the purposes of this inquiry that coastal Crown land is a part of your brief. In the first year of this council we undertook an extensive

plan for our coastal Crown land in partnership with DSE. Our understanding with DSE was that the plan would require ministerial sign-off but in the last year of this council we have recently discovered that our plan does not require ministerial sign-off and can be signed off within DSE. So we are currently trying to confirm with DSE that they are prepared to sign-off on the plan so we can get on with the actions involved in the plan. We are disappointed with the extensive delays involved in negotiating our way through government departments.

The development of the Queenscliff harbour is currently a very difficult issue within the borough. The harbour is currently being redeveloped by Queenscliff Harbour Pty Ltd, a private company which has entered into a 40 year lease with Parks Victoria. Much of the harbour is being developed on coastal Crown land. While the borough is the planning authority in relation to this issue, our local community also expects us to advocate on its behalf.

At present the details of the lease and berthing costs are unavailable to the users of the harbour. This is a source of significant local angst and is causing significant concern to our local fishermen, the local boat repairers and to our local charter boat operators and diving operators who are all very anxious about whether they will be able to afford the fees in the new harbour when they are announced. Their expectation is that council will advocate on their behalf, which we do indeed try to do, but this is very hard when the lease arrangements lack transparency. We have currently asked the QHPL board to provide some costs of berths within the proposed development. They have agreed to do this by the end of this month. Local government has a role to be a strong advocate for its local community, and I think the process of withholding the projected costs of berths within the new harbour does not help the process of transparent development of the site.

Finally, council has asked me to say to you that in the development of public land we believe there is scope for a much more collaborative approach between local government and state government. As the level of government which is closest to the local community, we would like to see a much closer relationship between state government and local government in determining the use of public land. We believe it would lead to a much more transparent and democratic approach if the Parliament and public service of Victoria entered into a closer relationship with local government in determining the use of public land.

The CHAIR — Thank you, Cr Semmens, for your submission and some of the comments you have made. They are helpful for us with our brief on development and alienation of public land. I might ask a couple of brief questions: to start with your point 5 and the issue of coastal Crown land and the understanding that a plan was developed, I am understanding that that plan was developed some years ago in fact?

Cr SEMMENS — It was developed in the first year of this current council.

The CHAIR — Two or three years ago?

Cr SEMMENS — Yes. But as I say we have only just discovered that it does not actually require ministerial sign-off. We are coming into the very last year of this council.

The CHAIR — Is a copy of that available?

Cr SEMMENS — Yes. But I have not brought one with me.

The CHAIR — Perhaps you could provide our secretariat staff with a copy because that would be quite helpful for us. On the issue of Queenscliff Harbour, we have certainly some evidence today and have submissions to the committee on that. I am interested in the council's view on that and I see that in effect what you are seeing is that it is very difficult to be both an advocate and a planning authority.

Cr SEMMENS — We are the planning authority but at the same time the local community expects us to advocate quite strongly on their behalf.

The CHAIR — But the actual lease was let by Parks Victoria?

Cr SEMMENS — Yes.

The CHAIR — It was my understanding we were going to speak to Natalie Walker, your manager planning and development.

Cr SEMMENS — Natalie has not come with me today. I do not think she understood that you were expecting to speak to her.

The CHAIR — I understand she was on the tender panel. She was the sole representative from the council on the Parks Victoria tender panel?

Cr SEMMENS — The tender was let before I got on to council so I am not quite sure who was on that panel, but I think Natalie was probably part of that process.

The CHAIR — And you would have no objection to us talking to her at some point about that matter?

Cr SEMMENS — No.

The CHAIR — You mentioned the disquiet in the community about the harbour, and obviously there is a desire to have new and snappy facilities, at the same time preserving what is important. My question relates to the process of the tender. Do you or the council have any concerns with the way the tender process operated?

Cr SEMMENS — The tender process?

The CHAIR — Yes?

Cr SEMMENS — The harbour process went to a panel, which — —

The CHAIR — As opposed to the actual planning process, the tender process itself, by which an individual firm was ticked off as the preferred group?

Cr SEMMENS — The tender process happened before the incumbency of this particular council.

The CHAIR — Nonetheless you are indicating in effect you were not aware of the details of it at that time?

Cr SEMMENS — Yes, that is right.

The CHAIR — Do you have any concerns about it in a sense in retrospect if you have come in later in the process?

Cr SEMMENS — I think what I have said here reflects the current concerns that nobody knows what is in the lease at the moment because the lease has been a private document between QHPL and Parks Victoria.

The CHAIR — Has the council sought a copy of that lease?

Cr SEMMENS — We have and we were denied a copy of the lease. We do not know what is in the lease. At the moment we are trying to negotiate the berthing costs with QHPL, and they have said to us that they will reveal the berthing costs towards the end of this month, at another meeting with us. At that meeting we will also become inclusive of many of the harbour uses.

The CHAIR — But still no details of the actual lease itself? Is that a satisfactory position for the council as it has in effect to co-manage many of the aspects of this development?

Cr SEMMENS — We are the planning authority but QHPL is managing the development of the harbour.

The CHAIR — You have ingress and egress issues and a whole manner of other things?

Cr SEMMENS — Yes, that is right.

The CHAIR — That is difficult, then? Challenging?

Cr SEMMENS — As the planning authority we are really sort of one step back from the actual development of the harbour. One of the things that QHPL said at the beginning of the process was that they would maintain the harbour as the working harbour, and that they would ensure the fishing boats, the dive boats and so on were able to remain working out of the harbour. However, as there has been no release of the possible berthing

charges there is very significant angst amongst some of those operators about whether they will be able to remain within the harbour or whether the lease costs will be just too high for them. Some of them who are talking about going to Gippsland, some of them are talking about going to Tasmania, and I think there is significant angst amongst those people about whether they will be able to remain. Most of them do want to remain within the Queenscliff harbour.

Mr TEE — Certainly that issue in terms of the berthing costs seems to be at the heart of your concerns in relation to the lease. Hopefully those fears will either be confirmed or allayed when you obtain that information. When did you indicate that would be?

Cr SEMMENS — Some time this month. QHPL have said that they will come back to us some time this month with the berthing costs.

Mr TEE — In the next couple of weeks. I want to ask you about the structure plan which is being developed for the town. What role does the council have in that and what processes do you have in terms of consultation and where you hope to end up in terms of the plan?

Cr SEMMENS — At the moment the Borough of Queenscliffe is working with the City of Greater Geelong on that structure plan. We have had probably three or four meetings. In the weekend after Easter there will be a significant community consultation around what the residents of the borough would like to see in terms of that structure plan. I think, following on from what our residents have to say, then we will take that plan forward into the future.

Mr TEE — And that plan will, I suppose, incorporate or hopefully end up defining, the boundaries of the town and so on? Is there anything else apart from the boundaries that the plan really seeks to capture?

Cr SEMMENS — I think it seeks to capture a bit more than just simply the boundaries. It also has a look at users of land. There is not a great deal of land left within the borough of Queenscliff, there is quite a bit on the side of Fellows Road.

Mr KAVANAGH — You have got a pretty small rate base in Queenscliff and a lot of expenses. What are the annual rates on a typical house in Queenscliff?

Cr SEMMENS — I think we set the annual rate at 6.7 per cent for this year. We are about to look at setting the rate for next year, but we are a council that is always able to balance our bottom line. We are a viable council, and we do not have any issues around our viability.

Mr KAVANAGH — What kind of figure does 6.7 per cent work out to be on an average house?

Cr SEMMENS — I am not quite sure what you mean by ‘an average house’ because we have houses that range from being very expensive to really quite cheap.

Mr KAVANAGH — Three bedrooms and one bathroom. Closer to \$1000 a year or \$2000 a year?

Cr SEMMENS — It would be closer, I think, on a three-bedroom house to maybe \$800 or \$900 a year.

Mr KAVANAGH — There is a lot of coastal Crown land in your borough. Do you have expenses in paying for maintenance of that or is that all covered by the Victorian government?

Cr SEMMENS — No, we contribute to the maintenance of coastal Crown land, and part of the deal with government is that if we want to develop any of that land, state government throws in half and we throw in half.

Mr KAVANAGH — With the high school site, you ended up being granted the land by the department of education. How did you manage that? It has not happened very often.

Cr SEMMENS — We managed that because we managed to conclude the process just before the state election.

Mr HALL — Timing is everything, isn't it!

Cr SEMMENS — We had a fairly strong bargaining position.

The CHAIR — And some fierce advocates behind you.

Cr SEMMENS — Yes. In that context, state government granted us two-thirds of the land and one-third that the community was happy to leave to Treasury to sell off as housing space. I think the community felt that that was a reasonable compromise: two-thirds to us and one-third to government.

Mr HALL — Thank you for coming along to have a conversation with us. On that high school site, part A, part B and part C, which you identified in your introductory comments, are they about equal in size? Part A is the open space.

Cr SEMMENS — Part A is smaller than part B, and I think part B is larger than part C.

Mr HALL — And Treasury and Finance has subsequently sold part C for private development?

Cr SEMMENS — Yes.

Mr HALL — That has all proceeded. Can I ask you with respect to the federal government and the Crows Nest site which was identified by the Queenscliffe Community Association who was here this morning, was council given any options on the purchase or takeover of that particular land?

Cr SEMMENS — Again the sale of that land happened before I joined the council, but I think because it was commonwealth land, the commonwealth just decided to sell it off. Certainly the council was the planning authority during the process of sale but the land was sold off by the commonwealth government.

Mr HALL — I would be interested if you could ask council officers if perhaps they have records of this, whether the council was actually offered first right of purchase or grant of that particular land as well. We are interested in the processes of transfer of public land between levels of government: federal, state and local. So I would be interested to know whether the Borough of Queenscliffe was actually offered first right of refusal to either purchase that at a Valuer General's price or actually offered it with any conditions attached to it. Perhaps you could take that one on notice for us?

Cr SEMMENS — I will.

Ms PENNICUIK — Cr Semmens, could you tell me what has happened to the land where you said the soil was dumped. What is the land on Murray Road used for now?

Cr SEMMENS — About one-third of the land along Murray Road was used to dump sand and a bit of rubbish, which killed off the vegetation on that area, so about a third of that land has no native vegetation on it; I guess that is what I am trying to say, but two thirds of the land has got quite a lot of endangered species on it, so council is allowed to sell off a third of that land but not the other two-thirds because of the endangered species on the rest of that land.

Ms PENNICUIK — You are allowed to by the state government?

Cr SEMMENS — Yes.

Ms PENNICUIK — Given that you have said there is rare and endangered vegetation and it abuts the wetland, is council concerned about the development of that other third in terms of the impact on the wetland and the endangered species on the two-thirds? I say that because there are many examples that I could point to everywhere where a private development or a development abutting a sensitive site has quite a lot of impact on that site.

Cr SEMMENS — The area that we are going to develop is not a huge area. I do not know whether it will impact on the native vegetation. I think council would probably take quite strong steps to ensure that it did not.

Ms PENNICUIK — With respect, I have heard that before: it does not work. It seems to me from what you have said under point 1 of your submission is that council feels it needs to sell land in order to fund other projects. Would it be a reasonable proposition that if you did not need to sell the land, that you could make it rather than two-thirds preserving rare and endangered species and the integrity of the Ramsar site, that the whole site could be used for that?

Cr SEMMENS — Could be used for?

Ms PENNICUIK — As the protection of rare and endangered species.

Cr SEMMENS — I think if we want to look at building a community centre on the high school site, and given that we are looking at a bill of about \$8 million there, I do not know whether, as a council, we have got any alternative but to sell off some of the land we own in order to try to fund that development.

Ms PENNICUIK — That is what I am asking. Basically you are selling it because you feel the need to use the money for another use?

Cr SEMMENS — Yes.

Ms PENNICUIK — Has the council explored any other sources of funding for those other developments?

Cr SEMMENS — Yes. We have talked at length with DVC, which has now become the Department of Planning and Community Development. We have talked at length with it over the years, and our feeling is that we cannot get to that \$8 million without selling off some of our assets within the borough.

Ms PENNICUIK — To me and probably to many people in the community, \$8 million is not a lot of money, but perhaps the preservation of the endangered species and the situation in the wetland, if you are going to put prices on these things, is worth a lot more than \$8 million to the community and to future generations. You are in a difficult position. You need the \$8 million, where can you get it from?

Cr SEMMENS — That is right, and where are we going to get it from if we do not sell off that particular parcel of land, that is true.

Mr TEE — That is the art of government, is it not, at any level, how you balance those competing demands.

Ms PENNICUIK — Thank you, Mr Tee, I can work that out for myself.

Mr TEE — Just trying to be helpful.

Ms PENNICUIK — Thank you, Mr Tee. So, Cr Semmens, you have not had any joy in trying to find that funding elsewhere?

Cr SEMMENS — We know with the assistance of the Department of Planning and Community Development, that we can probably get to maybe \$4 million, but in order to get ourselves to \$8 million we need to look at selling off some of the council's assets.

Ms PENNICUIK — The \$8 million is for a community hub? Is that right?

Cr SEMMENS — Yes.

Ms PENNICUIK — And that is going to be on the high school site, is that right?

Cr SEMMENS — That is right.

Ms PENNICUIK — With that plan, does it have to be that particular plan costing \$8 million or could there be an alternative plan that costs \$4 million?

Cr SEMMENS — One of our problems is that within the borough our child-care facilities are old and tired. Our kindergarten was built in the 1960s and is now very old and tired, so it is quite important for council to begin to look for ways of renewing things like the kindergarten. We have also got a neighbourhood house that is crammed into what used to be the maternal and child health centre. It has very little space to run its classes, and council has got a real problem with renewing those assets unless we build on the high school site. We have thought about things like doing a staged development, but a staged development would simply, I think, make it more expensive.

Ms PENNICUIK — I will leave it at that. We could probably go on about that for quite a while. I want to ask a little about the harbour. What is the council's view about the need to redevelop the harbour. To what extent does it need to be redeveloped in the council's view?

Cr SEMMENS — To what extent did it need to be redeveloped?

Ms PENNICUIK — Yes, we are talking about berths et cetera and it is a working harbour, what needs to be done there, if anything?

Cr SEMMENS — The redevelopment of the actual harbour area is almost finished. The state government also agreed to a navigation tower, a restaurant, a bit of community space and quite a lot of buildings around the edge of the harbour, so it is a fairly major redevelopment.

Ms PENNICUIK — Is that all Crown land?

Cr SEMMENS — I think it is a mixture of land, but some of it is certainly Crown land and some of it is land administered by Parks Victoria.

Ms PENNICUIK — Could I ask you about your structure plan: is there a draft of that available?

Cr SEMMENS — Not yet.

Ms PENNICUIK — That will be available just after Easter?

Cr SEMMENS — It will be developed after the community consultation.

Ms PENNICUIK — Is that referring to the Victorian Coastal Council strategy?

Cr SEMMENS — Yes. We are certainly aware of the Victorian coastal strategy as a background document, as part of the way we are doing the structure plan.

Ms PENNICUIK — Thank you.

Mr O'DONOHUE — Just to follow through on the school site. Has that parcel that was sold by the state government now been developed?

Cr SEMMENS — I think most of it has now been sold off and the very first house is currently under construction at the moment.

Mr O'DONOHUE — In your submission, too, in relation to the harbour you talk about the lease between DSE and the Queenscliff harbour company. Were you involved at all in the lease negotiations or a part of that?

Cr SEMMENS — No, that all happened before I got onto council. My understanding was that it was Parks Victoria that negotiated the lease with QHPL and the lease has not been a document for public release since it was negotiated with Parks Victoria.

The CHAIR — Just a very brief follow up, as I am conscious of time. The lease that is being referred to, as you say, is not for public release. Is it your understanding that that contained the light tower and so forth that were not there originally?

Cr SEMMENS — No, that was not in the original lease. The lighthouse was a recent addition.

The CHAIR — Was council consulted on that?

Cr SEMMENS — Yes.

The CHAIR — And do you know if there was any adjustment to the tender or the arrangements between the tenderers and Parks Victoria with respect to the additional development?

Cr SEMMENS — The additional development?

The CHAIR — Yes, the tower and the associated shops and spaces.

Cr SEMMENS — The associated shops were all approved as part of the planning process.

The CHAIR — It is simply the tower itself that was added?

Cr SEMMENS — The tower was added at a later date, and part of the reason for the tower is that the port of Melbourne needed a new navigation light, so the port of Melbourne navigation light is at the top of the tower.

The CHAIR — A final question: it is not strictly inside your municipality, but in relation to the Stockland development on the other side of the road, as it were, in the city of Geelong, has council adopted a position towards that development?

Cr SEMMENS — We will be appearing at the panel process and we will be putting a council position at the panel process, but the Stockland development is certainly not a popular development in the Borough of Queenscliffe. There are probably about 800 people who have joined a group to object to the Stockland development. It is not a popular development, although I think generally speaking the view would be not that we should have no Stockland development but that the Stockland development should be driven down to a much more reasonable size. At the same time, council has supported an application to Minister Garrett to declare at least part of that area part of the Ramsar wetlands.

The CHAIR — Under the EPBC act?

Cr SEMMENS — Yes.

The CHAIR — Thank you.

Mr TEE — And that has gone to the panel at the request of the council?

Cr SEMMENS — Sorry?

Mr TEE — You have indicated that the Stockland development has gone to a panel, and my question was: did it go to a panel at the request of the council ?

Cr SEMMENS — The Stockland development is in the city of Greater Geelong, so it has gone to a panel at the request of the City of Greater Geelong, but Queenscliffe will make a submission as part of that process.

Mr TEE — Thanks for clarifying that. Just on the harbour development, that went through the council planning processes?

Cr SEMMENS — It has been going through the council planning process as it is developed.

Mr TEE — That is where it is up to at this stage?

Cr SEMMENS — Yes.

Mr TEE — Thank you.

The CHAIR — Thank you for your submission, mayor. We greatly appreciate it.

Witness withdrew.