

CORRECTED VERSION

SELECT COMMITTEE ON PUBLIC LAND DEVELOPMENT

St Kilda — 5 March 2008

Members

Mr D. Davis

Mr P. Hall

Mr P. Kavanagh

Mr E. O'Donohue

Ms S. Pennicuik

Mr B. Tee

Mr E. Thornley

Chair: Mr D. Davis

Deputy Chair: Mr B. Tee

Staff

Secretary: Mr R. Willis

Research Officer: Ms C. Williams

Witness

Mr D. Carruthers, manager, Dogs Bar, and trader representative.

The CHAIR — David, you are the manager of the Dogs Bar.

Mr CARRUTHERS — I am a few things.

The CHAIR — And a traders rep.

Mr CARRUTHERS — I do not know whether everybody's blood sugar levels can maintain another 20 minutes or half an hour here.

The CHAIR — If you could be as succinct as possible, and we will follow up with some questions.

Mr CARRUTHERS — I really want to focus on my experience with the process. My name is David Carruthers, I am a local resident, I own three local businesses, and I employ 30 people who live locally. I am the father of three young children — all at St Kilda Park Primary School. I own a commercial property. I am basically my own landlord for one of my businesses. I am also involved in some investment properties in St Kilda. I am a member of the local licensing accord steering group. I am a sponsor of the St Kilda Film Festival and have been for the last five years and second prize sponsor of the Linden Postcard Show for the last six years. I have worked with AbaF to promote business supporting arts generally.

I came to Australia with my wife and two then young children eight years ago, and my youngest daughter was born here. Between 2003 and 2006 I was the president of the Acland Street traders association. I started and ran a campaign called Save St Kilda's Soul, which first brought to the attention of the local community how big this development was likely to be, from October 2006 to January 2007. We set up a website and online petition, which captured 7500 names in six weeks. I did not stand for re-election as president of the traders association in December 2006. My comments and views today are my own.

I live and work in this amazing village we call St Kilda. The purpose of my explaining these things is to demonstrate that I have a wide and varied interest in St Kilda and what happens here. I would like to raise a number of issues of interest with you today. I believe there are fundamental questions that need to be asked about this process and ultimately what happens on this piece of public land.

Processes and promises, leadership and lies: my first involvement in the process of the triangle site development was when I was invited to a stakeholder meeting in I think late 2005 or maybe early 2006 in my capacity as president of the Acland Street Precinct Traders Association. At this meeting an update was presented and the focus was on the council communicating limited information on progress through that process. Questions were rarely answered, and the constant response was that the answers were commercially sensitive and confidentiality meant little discussion. I asked two questions at this meeting. Both questions were addressed to the CEO, David Spokes. The first question was whether the development was going to be retail intensive. The answer was categorically no, with further comment that the council would not do this on this site — there would be some cafes and shops around the development, but it would not be large scale.

The second question was whether the retail component would compete with the Acland Street precinct or whether it would be complementary. The answer was very much that it would not compete and that it would be complementary — indeed there would not be enough retail for it to compete. I was satisfied at that stage and trusted that the council was clearly stating that this would be a low-intensity development in line with its UDF document and it would not be competing with a well-established shopping precinct just 400 metres away from the triangle development.

On returning from a trip to Europe in early September 2006 I heard two or three rumours that there was going to be a supermarket on the triangle site. I could not believe this at all. I had been told at the beginning of the year by the CEO himself that there would not be intensive retail on the site. Surely a supermarket is one of the biggest examples of intensive retail activity, especially given there were already two supermarkets in the immediate vicinity. I sent an email to the CEO asking if the rumour were true. I received no reply — very out of character for David Spokes. I poked and prodded a couple of people in council to see if there was any information available, and the feeling I got raised alarm bells in my head. I had no response to emails and decided with the traders association's support that we should make the community aware of our fears, challenge council to state what was happening and whether these rumours were true or not, and get this matter out in the open.

At the end of October 2006 we organised a rally in front of the Palais Theatre and invited all the candidates in the state election to speak and give their views on the triangle site. We did this from the back of a ute to about 300 to 400 people. Everybody was appalled at the thought of supermarkets and intensive retail. We invited Cr Sait to speak, representing the council. Cr Gross came along too and spoke. He would not confirm that supermarkets and intensive retail were very much part of the final bids. He would not comment on anything, stating confidentiality reasons, but stating that vistas would not be affected because the UDF protected them, which was later found to be untrue.

We started a website petition to save the triangle from overdevelopment, and within six weeks over 7500 people had signed the online petition. The passion in the community was significant. At the beginning of December 2006 the traders association held its annual general meeting, and had the triangle site as a discussion item. Cr Gross wanted to speak to the traders, and we invited him to give the group an update on the triangle site. He wanted to convince us how good this would be. We had somebody taking verbatim notes at that meeting. Following the meeting we released some of his comments as a media release, and the *Age* published a story on Saturday, 8 December 2007.

Cr Gross said at the meeting, 'The state government has done a Pontius Pilate on this site by making it a council issue when it's a state government asset. It's unfair to give it back to council to manage when the Palais Theatre is in such a dilapidated state'. We gave his quotes to the *Age*. He denied saying what he had said in front of 25 traders and some council officials. Cr Gross was quoted in the *Age* of Saturday, 9 December, saying, 'Dishonest representations have been made about the council's role throughout this whole process, and this was another example'. He was essentially calling me a liar in the press. I was becoming disgusted by the whole process. Why would a councillor suggest that we were lying about what he had said when there were so many people in the room that night? Why was he so scared of the process being challenged publicly? Cr Gross has been a key player throughout the triangle process. He has been there all the time, promoting the scheme, supporting the development and making excuses for the overdevelopment.

In previous dealings with Cr Gross in 2004 as president of the traders association we sought support from council to manage the retail mix in the shopping precinct to improve the mix of shops for the benefit of the local community. We wanted to try to put greengrocers and butchers — and what the community ultimately wanted — back in place. But Cr Gross did not want any of it stating that the market would dictate what came into the strip. In fairness, David Spokes was also present at this meeting and was supportive of our strategy.

Yet now we hear Cr Gross stating that the mix of retail shops should be managed to help the triangle site and Acland Street to succeed. Which one is it Cr Gross, or is just that it is convenient now to support that strategy? Cr Gross led a campaign to increase footpath trading fees in Acland Street and make them the highest in Victoria, despite the fact that in winter many of the businesses fail to survive the colder months. I put forward these examples of Cr Gross's lack of interest in the retail component and traders in the Acland Street precinct over the years that I have been in contact with him.

Back in November 2006 when we launched the 'Save St Kilda's Soul' campaign to make the community aware that the development was looking much bigger than early promises, Cr Darren Ray came to see me privately. I asked him if it was true that there was going to be a supermarket and intensive retail on the site. He told me he could not say because of the confidentiality agreements in place but that a supermarket would be a good thing. The reason he gave me was that a supermarket in the middle of this development would help retain low-income people as residents in the area. I stated we already had two supermarkets 200 metres and 600 metres from the triangle site, as well as one in Fitzroy Street and a new low-price one — Aldi — in Inkerman Street. He told me we did not have enough supermarkets and that we needed another one. The SGS economic analysis report failed to mention any requirements for supermarkets or them being of benefit to low-income people in the area. This brings me to one fundamental question I think the select committee must ask. How can councillors who have been so close to this process, to the point they have taken on the delivery of the project as a personal crusade, then judge on a planning application submitted by the developer to build the project? How can this be right, especially when the councillors in question have been party to the decisions to remove third-party planning appeal rights from the process? Surely this is a striking conflict of interest.

I now turn to vision and values. One of my main arguments today is that a development of this scale should never have reached this stage on this piece of Crown land by the beach in St Kilda. The original vision for this development was good and proper and the result could have been a positive outcome. However, there was a point

in the process when the key decision-makers realised that the vision the council had agreed was not going to happen due to the developers pushing boundaries. My argument is that at that point the process should have been reviewed and even stopped to rethink potential outcomes and alternative strategies. Instead the process was encouraged to proceed to a point of no return; tweak a bit here, tweak a bit there, shave something off here and also over there. Big companies and large organisations sometimes fail to stop and review. There is often too much personal credibility at stake to apply logic. Often nobody wants to tell the king he is not wearing any clothes. The king's immediate advisers are telling everybody the king's new suit is wonderful, so not surprisingly the next layer down in the organisation starts to say the same thing. Who really wants to be the one to stop the king and tell him he is naked? By then it is too late. He is out of the castle and striding down the path in full view of his subjects.

We have been told all the way through this process that council sought the opinions of local stakeholders, and to a point it did. This delivered an urban design framework, a document that we were told up until quite recently, and in several cases by Cr Gross, was the bible; this contained the rules. When asked at a stakeholder meeting why the developers had not been given a prescriptive brief on what to build with restricted numbers in place, the answer from the CEO was that the council wanted the developers to be as creative as possible, but they would ultimately be constrained by the urban design framework, which was the rule book built through community and stakeholder group consultation and participation. Everybody should have felt safe to a degree. The CEO had already said the development would not be retail intensive; it would not compete with the nearby shopping strips; and the urban design framework contained suitable and appropriate boundaries. In more recent times the UDF is now described by the developers and council as an aspirational document.

I go back to those original stakeholder meetings for a minute; back to the UDF values and vision. The UDF said, 'St Kildaness'. It recognised that St Kilda is as much about its people as the buildings that form the venues and entertainment space. What has the council allowed the developer to do: put in place a shopping precinct that ultimately, like Cr Gross has previously stated, will be driven by market forces. The UDF values say, 'Retain live music on the site'. The developers, in their desire to uphold the spirit of the tender, gave us a nightclub precinct, not too far in style from the unsuccessful Crown Casino nightclub precinct. Ask the police and Liquor Licensing Victoria how that went; and if you really want more information, ask the local hospitals for their reports on the injuries that came from on that site. The UDF values included the importance of open space. What have the developers done? To start with, they measure a significant amount of the open space to include the passages and thoroughfares between the shops. They also include the steps that people walk up and down. That is like saying the malls and escalators in Chadstone are quality public space; it is just wrong.

Let us stop and reflect for a moment and look at this whole process in a different way. If the council had said five years ago, 'We want to redevelop the triangle. We are likely to have a shopping focused development with 140 to 180 tenancies including a supermarket, a nightclub precinct for 5000 or 6000 people. We are going to help the developers through the process, take away your rights of appeal if you do not like it, and we will make the decision about whether our project goes ahead, irrespective of how many people object', I wonder if we would still be sitting here today talking about a triangle site development.

It seems coincidental that the full scale of this development did not become apparent to council until after the St Kilda triangle act had been passed and third-party rights had been removed. The fundamental question to be asked here is: why would the CEO of the council state publicly that there would not be retail intensive development on the site at the beginning of 2006 and a year later be proposing a development that is so big? On the retail mix and impact on Acland Street and other shopping strips, they have said that the retail mix will have 50 per cent of the stores being independent. Their definition is a trader with less than 10 stores. Maybe if 50 per cent had been traders with only 1 store — the one they are opening in the triangle — they would have been a little more St Kilda. Traders with up to 10 stores means much larger operators.

No more than 20 per cent of the stores can be national chains. That sounds good, doesn't it? A great sound bite. Let us probe deeper. The definition of a national chain store is a brand that runs more than 50 stores nationally. In Australia that leaves a huge number of national and international companies that do not get classed as national chains, and yet that is exactly what they are. In 2006 in the UK a House of Commons all-party parliamentary small shops group report entitled 'High street Britain: 2015' found evidence that supermarkets and national chain stores were making high streets — we call them shopping strips here — homogenous and the independent retailer would be extinct in the UK by 2015.

This sounds a little dramatic. It sounds like a newspaper headline except that it is a House of Commons report that took three years to compile and has resulted in massive intervention in the retail industry in the UK. Australia is a few years behind but look at how shopping strips in Melbourne, that only a few years ago had character and distinction and had their own personality that represented the area they were in, are all now looking the same. The same national chain stores, whether they have 20 outlets or 120 outlets, are aiming to dominate the shopping strips and shopping centres of Australia. In the UK every high street now looks the same, with the same chain stores next to each other all over the country.

Local independent retailers spend their income locally. They buy from local wholesalers, generally contributing to the local economy. National chains do not. They buy centrally, they have their own distribution centres and fleets, their profits are not spent in the local economy. If this development were aimed at providing some low barriers to entry and low rent retail spaces to encourage local people to set up business independently, the creative edge emerging from this, linked with the contribution to the local economy, would be significant and have much more St Kildaness. But that is not what this development is about. The developer will need to have an impressive mix of retail brands to make the overall retail offer work. The effort going into managing the retail mix will be significant. It will not be left to market forces the way Cr Gross wants Acland Street to be left. There will be significant marketing budgets put in place, with TV and radio advertising that the local shopping strips could only ever dream of.

To keep this shopping complex full of shoppers to ensure rents are paid and to ensure the value of the development is maintained will mean a significant amount of effort being put into attracting shoppers. Will the developer really be interested in whether they are taking customers away from Acland Street and Fitzroy Street? I doubt it. The developer has not once approached either of the local traders associations to start the process of developing a strategy of complementary shopping precincts. They have not been talking to the traders associations, looking at how they can work together. They have not been talking to anybody about developing a strategic approach to the entire shopping strips of Acland Street, Ormond Road, Fitzroy Street and Carlisle Street. Why would they — they do not see themselves as complementary, they never have. They see themselves as competitors and they will do what they need to do to get their share of the market — in winter that could be everybody else's share of the market!

The SGS economic impact survey describes net community benefit. This survey, by the way, was done at the very last minute. But the definition of community is all of Victoria. If this is the case, why is this retail development not focused on the tourism and visitor sector, leaving Acland Street to cater for the local community? Why is there a supermarket? Cr Darren Ray said it is there to retain low-income people in St Kilda, yet the council's economic impact survey says the development has a benefit for all Victorians. Take out the supermarket, take out the fresh food and local convenience shopping elements of this retail mix and leave the visitor and tourism focused shops. Why does the developer want a supermarket? To compete with the nearby shopping strips and attract locals, in winter in particular — there is nothing complementary about that.

In Tim Nott's economic impact assessment he estimates Acland Street will lose 10 to 30 per cent of turnover. Many of these businesses are marginally successful as it is. Several shops go bust every winter and the churn rate is high in Acland Street. To date there have always been more retailers wanting to get into the area, so the high rate of business failure is masked by the short space of time a retail unit is left vacant. Property values have been high in the precinct as a result of a high demand to enter the area, maintaining high rentals. There may be a Phoenix reborn in the Acland Street precinct but at what cost and how long is the turnaround time? Is it 5 years, 10 years or maybe longer. Acland Street precinct has about 130 retail tenancies including venues. When the final developer was selected for the triangle site the number of retail tenancies was 180, plus supermarkets and venues. The scale of the triangle site remains significantly bigger than any early expectations set by council and confirmed by the CEO in early 2006. Winter is dramatically different from summer in St Kilda. The number of businesses that fail to survive the winter has increased in recent years. It will be an interesting first winter in the area with twice as many businesses trying to get through the cold season. The Docklands developments have had exactly the same problem with businesses failing to survive winter. What is council going to do if there are significant numbers of businesses failing. What can it do? Apologise to the business owners who lose their homes, for getting it wrong?

In relation to refurbishing the Palais Theatre, we are told the scale of the development is due to the funding required to refurbish the Palais Theatre. Upwards of \$20 million has been quoted as investment going into this refit. We are told the whole development is likely to cost \$350 million. Firstly, why is state government not funding the Palais refit? This is surely one of the state's icon sites. Surely given the outrage about the scale of this development, the

state government could be asked to refit the Palais or even look at a completely different approach or paradigm to fit out and lease the Palais. Why not call for tenders from interested parties to take on the Palais Theatre lease for 99 years, refit to agreed standards and operate? It could be done on a public private partnership, on a sole basis, with the state therefore contributing far less. There could be community involvement in the ownership and funding through a development-and-ownership fund. The options have not been thoroughly explored. The developer wants control of the Palais, as it is the developer's key tenant. The developer does not want to lose control of it just as it does not want to reduce retail space because that would reduce rental income.

Cr Gross said in 2006, in front of 25 traders and council officers, that, 'the state government has done a Pontius Pilate on this site'. I asked Cr Gross at the same meeting why the city could not have contributed to the Palais Theatre's refurbishment given it was spending \$18 million on its own offices? He said, 'The new town hall was always going to be an unpopular move but we need to renew our assets'. Surely that means using the same logic that the state should renew its asset and pay for the refurbishment of the Palais. I continued to question Cr Gross at that meeting by asking him whether the council would ask the member for Albert Park, at that time John Thwaites, since being re-elected to office whether the state government could now contribute funds to the heritage listed Palais. Cr Gross said, 'The state government has made it clear it will be spending money on hospitals and schools'.

Interestingly, at the opening of the Linden Postcard Show on 2 February this year, the current member for Albert Park, Martin Foley, stated in a conversation with me and another person, that council had never asked state government for a dollar to assist with the refurbishment of the Palais Theatre. Is this true? Have deals been done behind closed doors? Can the council not go to state government now and ask for money? What is going on? It defies logic and it is hard to explain. Is it about 'egg on face'? Whatever it is, it smells like the egg went off. I believe a fundamental question to be asked here is: why is state government being allowed to avoid its responsibility to refurbish the Palais Theatre? Even now there must be a way the state government can enter the process and change the outcome.

In a smoke and mirrors process in which the developer's pictures of the lower esplanade shows pedestrians wandering across a wide crossing with a handful of cars waiting for them to gracefully flow across the road — somebody told me there were 30 000 cars a day passing by — I am not sure how good and graceful they are going to be but the pictures look really good. In relation to the security centre and CCTV: how reassuring! Or is it? Why do we need it? If the space was a European town square, piazza or plaza, with underground car parking, like most European cities have done for lots of years — without shopping centres to fund them, by the way — they do not need CCTV because they do not have the problems for which CCTV is the solution. Or are we putting CCTV in to keep any eye on the all the children and pensioners who are going to be enjoying all that open space in between the shops?

Regarding the future, I think everybody I know looks at Catani Gardens and O'Donnell Gardens as the general area of St Kilda that the city fathers planned and thought through for future generations' benefit. It was and is a great use of public land. This development, like those before it, will be there for a long time. What we put on this site and sites like it will become a legacy to generations yet to come. Will they understand in 100 years, or even just 99 years, our need to fill every space we can with consumer-driven development? Will they understand the state government's apparent reluctance 100 years earlier to avoid it's responsibility to refit the Palais Theatre, leading to a shopping centre being put on this land?

Will they be proud of their great, great, great-grandparents or will they wonder what possessed them to allow such an overdevelopment of this site? Will they look at the old European cities, that in 100 years time they will be able to fly to in less than an hour, and look at the public and wonder why they maintained a sense of value of their public spaces and would never contemplate turning their piazzas and plazas into shopping centres? Their value systems would not allow them to do such a thing. The lease is for 50 years, with an extension for another 49, so 99 years is virtually freehold, so as far as the developer is concerned, they own it. What does the developer get out of this? Firstly, they will see a rental income stream from the commercial tenancies they are building and will lease. It is hard to pinpoint exact figures, but if there is 30 000 square metres of rental space at \$1000 a square metre rent, which is now a common occurrence in Acland Street, then this would give a \$30 million rental stream. If it is valued at a 5 per cent capitalisation rate, which is common in Acland Street, that would give a \$600 million valuation on the development as a minimum.

If it cost them \$300 million to \$350 million to build, it is not a bad amount of immediate equity they have got on their balance sheet. The rental income, less operating costs and of course the rental that is being paid to council —

that we cannot find out about — will provide them with a return on capital employed. If it does not meet Babcock & Brown's required return, though, it may not be a development they want to retain on the books. They do not have to keep it. They can assign the 99-year lease and collect the equity. But who would buy it? It could be anybody literally. It could be sold every five years as owners either succeed or fail; it could be held by a super fund; who knows? We do not, the council does not and neither does state government.

Will this elephant be as white as the sea baths? Is this huge development going to work and make the sea baths work, removing some messy egg from some people's chins in council? Who knows? Maybe it will be a collection of white elephants on the foreshore to go with the new boardwalk that is late, has been a dreadful sight to anyone visiting St Kilda this summer, and already has uneven pavers and trip hazards — and it is not even finished. Yes, the site needs something doing to it; yes, the car park is unsightly and has the potential for better things, but anything is not necessarily better than nothing. The council will argue there has always been commercial activity on this site. One has to ask whether two venues and a car park — three commercial activities in total — equate to the 150-plus activities that they are now proposing.

The community has stood up to be counted and said it does not want this development. We have constantly heard from council that this is bigger than St Kilda and that it is for the whole of Victoria. That is fine, but I do not hear the City of Shepparton saying that they want this development. I hear the people in whose village this is being built passionately and consistently saying it is not right for St Kilda, that, 'It is not what we were promised'. Many of the people involved in the stakeholder groups feel betrayed. They feel that council got their support on the back of a vision that has been changed. This is not the vision they bought into during the years of community consultation that Councillor Gross so often mentions.

There are three fundamental questions I believe need to be asked. The first one is how councillors deeply involved and committed to making this development happen can be in a position to decide on the developer's planning application — in reality, the council application, particularly following four of them being heavily involved in the development process? The second question is how the CEO of this city can publicly state in one of the famous stakeholder forums that Cr Gross talks about all the time as the community's 'close involvement' in the process in early 2006 that the development will not be retail intensive, and then a year later be supporting a development proposing 180 stores and a supermarket with a nightclub precinct as well? Thirdly, why is the state government being allowed to avoid its responsibility for refurbishing this historic building, the Palais Theatre, and, if it is true that the council has not asked for a dollar for whatever reason, why somebody does not forget their ego and do the right thing here and ensure that state government pays for the Palais? St Kildaness is worth protecting. This development is wrong for this site. It would make a great regional shopping centre; it should not need a beachside public land space to do it. The people who live in the area mix pretty well with the visitors and tourists and understand it is a tourist and visitor centre for the whole of Victoria but they do not need a shopping centre on the site to prove it, particularly as the main reason appears to be that nobody in state government has been asked to contribute. Thank you.

The CHAIR — David, I thank you for your extensive comments. I think it is very helpful for us in structuring our thoughts on this process. The involvement of the councillors: why the overarching advocacy by these councillors, why the inability to step back, why the inability to think through what it is actually going to mean?

Mr CARRUTHERS — It is a good question. My personal view is that I really believe the councillors did not think it would be as big as it is going to be. I do not think they have tried to deceive people, I think they have tried to run the process, and they have found out at a certain point, a critical point, that the developers were all going to need to build something far bigger than anybody had ever envisaged. I think the problem is that they should have shown greater leadership at that point, and I think they should have stopped the process and reviewed it rather than just pushing ahead and helping the whole process get approved.

The CHAIR — And the involvement of the former member and former planning minister, John Thwaites, are you aware of what involvement he had in this process?

Mr CARRUTHERS — Not sufficiently to comment.

The CHAIR — The final question I have is: what should happen from here?

Mr CARRUTHERS — In my view and in the view of several people in the area — people who trade and people who live in the community — we have to stop tweaking around the edges with this project; it is too big and the paradigm needs to change. The UDF very clearly states what the vision was. We should stop the process and go back and deliver the vision.

The CHAIR — Is it fair to say that the contractual arrangements have now locked the council in to an extent that they cannot get out, or is the way out for the state government to assist in unscrambling the egg, as it were?

Mr CARRUTHERS — I think that there is a lack of information available for me to be able to comment on contractual relationships, because everything is classed as confidential and has been throughout the whole process, however, I think the only way something is going to change right now is if state government intervenes in some form. There have been some suggestions on how that might happen, in earlier comments, but I am sure there are opportunities through the planning minister and planning legislation to intervene in this process.

Mr TEE — Thank you for your perspective. I do not have any questions.

Ms PENNICUIK — Thanks, David. There are so many issues that you raised, and we have talked about many of them, but the actual retail aspect and the effect on the existing retail traders and other traders has not been explored that much today. You talked about the winter months. I certainly know the area well, I have lived here, so I know it is much quieter in the winter. Could you expand a bit on the effect of those extra traders and whether you think there is enough trade to go around?

Mr CARRUTHERS — I think I mentioned that a lot of businesses in the area survive as opposed to prosper, and a lot of it is to do with the seasonality in the area and the fact that winter is particularly quiet for a lot of those businesses. The council has already alluded to the fact that it accepts there could be a 10 to 15 per cent drop in trade. The alternative economic assessment has suggested it could be 10 to 30 per cent. In any case if you apply any sort of sensitivity analysis to the businesses that are trading, and you take 10 to 30 per cent of their turnover, there are going to be a number of business failures happening. The council stated earlier on — I think David Spokes, or it may have been Geoff — that the council was planning to discuss ways to ensure, and the word was 'ensure', that Acland Street survived and prospered. I am not aware of any experience the council has had to date where the council has engaged in those sorts of activities, firstly; and secondly, to any degree of success.

Ms PENNICUIK — I have been racking my brain but somewhere I have either read or heard at one of the meetings the developer and council held just after the development was announced in May the term 'centre management' used. This sort of made my ears prick up because I thought, 'We are being told we are going to have retail' — there will be 180 retail shops and they will be independent et cetera — but then I heard the term 'centre management'. I am not sure if you have heard that too but it appears to me that the whole thing is a big conglomerate. It has been said that it is like a Chadstone, but like a Chadstone in that centre management runs the whole show, so it is not in fact independent retailer that can just pop in there and say, 'I will have that lease'. They have got to deal with centre management. Do you understand that to be the case?

Mr CARRUTHERS — We cannot get any straight answers; we have not been able to get any straight answers but I — —

Ms PENNICUIK — Have you heard that, because I remember hearing that term?

Mr CARRUTHERS — It is my understanding that the development will be marketed as a whole. That is why I refer comment to the fact that there will be a significant marketing budget, just like there is for Chadstone or any of the Westfield centres, to market that centre. That is going to be competing directly against ultimately Acland Street and Fitzroy Street, and they will behave differently. There is not a centre management for Acland Street and Fitzroy Street. It is a loosely grouped bunch of traders who try and make a living. There will be significant marketing focus. I am assuming there will be TV and radio, and they will want to make it work.

Mr KAVANAGH — I do not have any questions but I would like to thank you for your submission.

The CHAIR — Thank you again for your submission and indicate that this hearing is closed.

Committee adjourned.