

# CORRECTED VERSION

## SELECT COMMITTEE ON PUBLIC LAND DEVELOPMENT

Melbourne — 27 November 2007

### 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 A. Hunt.

**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 Victorian government policies relating to the sale and development of public land. I welcome the Honourable Alan Hunt, someone very familiar with this place as a former President and former planning minister. All evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and is further subject to the provisions of the Legislative Council's standing orders. Any comments you make outside the hearing may not be afforded such privilege.

As you know a copy of the transcript will come through shortly which will enable you to make typographical corrections. I welcome you, Alan, and ask you to make an opening statement — of course, we already have your written statement. We will then ask some questions.

**Mr HUNT** — What induced me to make a submission were three little words apparently added as an afterthought to your terms of reference — 'and green wedges'. I think your committee must have a very important role to play in the protection of the green wedges. The protection of the green wedges is essential for Melbourne. It is the core feature of planning policy for the region. I do not propose to go into the history — although I can if you like — but if you ask me questions I will. For over 40 years that has been a core feature — the most significant feature — of Melbourne's planning policies.

In 1967, as a result of a letter from Hamer the previous year, the Melbourne and Metropolitan Board of Works delivered a policy statement called *The Future Growth of Melbourne*, which I believe you probably have. Hamer had noted that Melbourne's development was radial along transport lines — highways and rail lines — and that in fact there was bushland, green wedges and farming land in between. He asked whether that policy should be formalised, and in 1967 the board of works said, 'Yes, it should'. They had been informally adopting that policy, but it was not enshrined as a government statement or under the planning act.

In 1968 the cabinet adopted that policy and three years of drafting took place to enshrine it in the planning scheme. That was done when I became the minister in charge of planning in 1971. Incidentally, the governor, Sir Henry Winneke, at a meeting of the executive council forced me to go away and prepare a memorandum as to how each element of the plan complied with the law and to put it beyond any doubt whatsoever, and I did that for him, because he realised how important it was, and it is a vital feature of Melbourne's planning policy.

There is some confusion at times between the terms 'green wedges' and 'green belt'. London has a green belt going around the central city and the immediate suburbs. However, green wedges are different. I have always referred to the development areas as fingers of growth and the wedges are in between. That is what gave Melbourne the title of the world's most livable city a few years ago. I think you see that it is terribly important to have strong action to maintain the green wedges. Governments have not been particularly good at this. I am not being party political at all; I am talking about governments on both sides.

There has been no single authority for the management of the green wedges, no single authority to raise the funds necessary to help protect them, and different municipalities have reacted differently. Some tend to welcome development whether in the green wedges or not, some look forward to the increased rate revenue and so on. But there are others who are quite serious about it. My own municipality of Mornington Peninsula gives the biggest rate rebate for genuine farmers in the green wedge. They pay 30 per cent of what is otherwise the general rate — 30 per cent. That is a real assistance to farmers who are not called upon to bear the burden for the whole of the community, nor should they be. I mean, after all the green wedges are not for the benefit of the farmers, they are for the benefit of the urban community. They have this area to go to, and I think they deserve some assistance. If farmers are charged full rates, as in some areas, we face the extinction of the green wedges. Farmers will not wear it; they just will not wear it.

There used to be a scheme called the Metropolitan Improvement Fund and there was a small rate charged for that. That was for the purchase of public lands and the maintenance of green wedge land and the like. It used to be administered by the Melbourne and Metropolitan Board of Works. I think some such scheme could be reintroduced. I think it is important that farmers throughout the whole green wedge get a rebate of the kind that Mornington does. I have done some calculations on the Mornington Peninsula shire's rate and the 30 per cent rate for farmland, which is a 70 per cent reduction, costs the general ratepayer 4 per cent.

It would be far less than that in the metropolitan municipalities, some of which have no farmlands at all, but if they contributed 1 per cent, that would enable the rate rebate to go to farmers. If they contributed, say, 2 per cent, you

would have something over to positively spend on improvements to green wedge land. With 3 per cent, you would have more; or if 4 per cent, like Mornington, you would really be in a good position.

One of the problems is that government has not enforced the green wedge strictly enough, as I have said. Only one government department has been really valuable and that is the Port Phillip and Western Port catchment authority.

**The CHAIR** — Catchment management authority.

**Mr HUNT** — Catchment management authority, yes. That authority has done extensive studies, quite unpublished studies, into protection of the green wedge. They even sent a researcher overseas to look at what was done in other countries, and he came back with a number of good ideas. I believe you should call the chairman of the catchment management authority, who did not even know that there had been a reference relating to green wedges. In June they made a major report to government which, as I understand it, has been ignored at this stage. I believe they could help you.

Such an authority might well be changed to the Port Phillip and Western Port catchment and green wedge management authority. It has got a number of ideas. I do not want to anticipate what they can tell you, but some of them would cost some money. They could well administer a revamped Metropolitan Improvement Fund which would cost ratepayers somewhere between 1 per cent and 4 per cent. It is just a matter of the decision to be made on it, and they could really start to do some positive things to assist in the protection of green wedges. The green wedges need far more active government participation and support than has been the case so far.

Could I just turn to the south-eastern green wedge, which I know best because it is the one that goes down as far as Frankston. In the day of Evan Walker, who was an excellent planning minister, I was approached by his office as to whether I would object — I was his counterpart then when he was minister — to the release of certain land now known as Aspendale Gardens. There was a huge pressure on resources in the south-eastern sector and it was pointed out to me that that was very degraded land at the back of Mordialloc. I thought about it and I said I could not object to that. But that became the precedent for two more segments of Aspendale Gardens, and then right next door on the Mordialloc Creek what is now known as the Waterways estate but which was then called Kingston Lodge. Then the loss of the green wedge jumped Springvale Road and took in a major part of the Keysborough golf course.

It is so important to watch out for the precedent you create. That very first one that I accepted and did not object to was the precedent for four more. I never would have said yes if I had realised that, although I have got to say that once Aspendale Gardens was approved, the two further stages of it became inevitable. I have also got to say that the Waterways estate on the Mordialloc Creek has considerably beautified and improved the creek. Mordialloc Creek is one of the three outlets of the Dandenong Creek, and it is a beautiful area. But the hopping of the road into the Keysborough golf course was totally unacceptable, I thought. It just shows you how careful you have to be.

I have always regarded planning as a bipartisan exercise. It really has to be bipartisan to work. I have given you the reason in my written submission. If it is not bipartisan, planning must inevitably fail. That is why I have been happy to talk to ministers of both persuasions to give any advice asked of me or any suggestions for consideration. I prepared a list of 20 principles that any Minister for Planning should adopt, whatever his colour, for Rob Hulls, and I provided that. Some of them have been observed meticulously, but not all. I have copies of those principles with me if you want them.

Planning is for the long term and therefore it has got to be bipartisan. It has got to be accepted by both parties and by the citizens and the people who are affected. Not all are affected by green wedges. Most green wedges were largely owned by genuine farmers, although there was quite a bit of public land here and there. Now speculators and developers have very largely replaced the genuine farming owners. But even they deserve some sort of justice and, so long as they are genuine farmers in the meantime, I wish them well and feel that they are entitled to a rate rebate. I think I will leave it there because I do not want to leave question time short. I will answer any questions that you might have.

**The CHAIR** — Alan, I thank you. I have known for a long time of your commitment to the green wedges, not only historically but currently having spoken on similar platforms with you on this matter. I wonder if you might reflect on the issue of coordination and management within the green wedge, particularly the role that public land, government land, Crown land parcels within those green wedges could and should play?

**Mr HUNT** — Yes, there is probably more public land in the Yarra Valley green wedge than any other. If you turned the catchment management authority into a catchment and green wedge management authority the evidence is — I mean, that is the only government body that has really done much, and I think it could be the conscience of the government, really, in assisting to manage the whole of the green wedge. I have got a lot of time for it. I have a copy of its report, but it is not for me to give that to you; I think you could get that from them.

**The CHAIR** — So the existence of an authority like that would, in your view, make it easier to manage them because there would not be the layers of management with different councils?

**Mr HUNT** — That is so. There is a role for councils, of course, but some are better than others in managing it. Some, on the other hand, look for the rate bonanza that they would get if the land is created urban and feel it might relieve their citizens still further of a heavy rate. I am not going to mention any particular municipalities, although I do have some in mind; that would be invidious to mention that. Mornington Peninsula is particularly good, so are some others, but I do not propose to name names.

**The CHAIR** — How should government utilise its own land holdings within that green wedge? Does it have a role to lead by example, as it were?

**Mr HUNT** — Governments should be the leaders in land management and should be an example to others. I think of the Devilbend land on the Mornington Peninsula, for example — that is government land, it is essential land to the green wedge, and it should be managed and retained as such.

**Mr TEE** — Thank you, Mr Hunt, for what is obviously a longstanding passion for the green wedges. The government has tried to give effect to the green wedges policy via its Melbourne 2030, and there are a number of critics of Melbourne 2030 and indeed the green wedges. I want to put to you some of that criticism to get your views on how we articulate a response and deal with those criticisms.

Currently and perhaps unfortunately — and it goes back to your point about bipartisanship — one of the scathing critics of Melbourne 2030 is the Liberal Party. It says that restrictions on land supply have greatly added to the ever-increasing cost of a house in Melbourne, and will continue to do so. This is the view of Mr Guy, the shadow planning spokesman. Do you have any comment on that criticism from the Liberal Party and how the committee should consider that criticism?

**Mr HUNT** — Different people have different views on aspects of Melbourne 2030. In the main it is a continuation of the previous policy — in the main it is. It puts different emphasis on certain features, but 2030 continues the plan adopted by the government in 1968. But it places more emphasis on urban consolidation and on greater densities. It has also led to the fact that now the minister cannot release green wedge land; it can only be done by Parliament itself. All those are acceptable things.

But as for other criticisms of 2030 that might be made by some people, I do not see it as my role to take that up at all. I would just like to see it protect the green wedges better than has happened under governments of all political persuasions in the past. It would be a tragedy if we lost it.

**Mr TEE** — Thank you. I share that view.

**Ms PENNICUIK** — Thank you, Mr Hunt. You mentioned that there is no single authority to coordinate or fund the protection of the green wedges?

**Mr HUNT** — Yes.

**Ms PENNICUIK** — Did you have in mind how that could best be achieved?

**Mr HUNT** — Yes, I have not discussed this with the catchment authority, it might reject the suggestion that I have made, but I just think that they are the best at it and the only ones who have shown real interest. Therefore I think that you could have a catchment and green wedge management authority.

There would be a restoration of the old Metropolitan Improvement Fund. That would be managed by this catchment and green wedge management authority. They see, for example, an opportunity to offer genuine farmers not only a rebate but a capital sum — you see, their land values are going up because of the expectation that they may be released. That is a difficult problem.

Even a genuine farmer may feel he is in a bind when the value of his land is going up. The catchment management authority has devised a scheme whereby in consideration of a renunciation of any development rights, people would be paid a capital sum. You could use strategic payments in areas — —

**The CHAIR** — To seal off certain avenues?

**Mr HUNT** — That is right — to close off certain avenues. They have got to have money for that. If it is just to give a rate rebate, I think you could do it for a cent in the dollar. If you are going to create a capital fund, you might need 3 or 4 cents in the dollar on the rate. But I cannot speak for that authority. David Buntine is the chief executive officer of it, and he is a very good man. I think you would benefit from hearing direct from him.

I have put to him, not in detail, the broad principle of what I have just said, but I have not discussed it with him in any detail. I think that plan would need to be worked through very carefully. But it could be done. There are things that can be done.

**Mr KAVANAGH** — Thank you for your evidence, Mr Hunt, and welcome back to Parliament House. You envisage a single authority over the green wedge areas of Melbourne, is that right? Just one?

**Mr HUNT** — I do not envisage that it would be an all-powerful authority. One of the problems at the moment is that when a proposal comes up, referees are appointed to look at it. It depends who the referees are — some are much more prone to — —

**The CHAIR** — Persuasion?

**Mr HUNT** — To persuasion, and some are much more prone to protection. You would still have that happen but this would be the body which would give evidence, this would be the body which would be consulted before there was even any reference to referees.

**Mr KAVANAGH** — Would the land in the green wedges be excised from local governments?

**Mr HUNT** — No. Local government would still have an influence and would still have its say. The catchment management authority has an excellent record in dealing with local government. I have not heard of any complaints.

**Mr KAVANAGH** — You were suggesting that perhaps there should be a levy on rates to fund amounts that could be spent in the green wedges?

**Mr HUNT** — Yes.

**Mr KAVANAGH** — You mentioned assisting farmers to resist pressure for development, really, would be one of the points of that fund, is that right?

**Mr HUNT** — Yes. That is where the fund would go.

**Mr KAVANAGH** — You have that in mind?

**Mr HUNT** — They would administer the fund, yes.

**Mr KAVANAGH** — You do not have any other particular purposes for the fund in mind?

**Mr HUNT** — They would administer the fund, and money would go to municipalities with green wedges to fund the rebates to farmers. But there would also be money available for other purposes such as the purchase of covenants. Strategically placed covenants could do a tremendous amount towards protection of the green wedges.

**The CHAIR** — On a Trust for Nature model, is that the sort of model you are — —

**Mr HUNT** — Yes.

**Mr KAVANAGH** — So the covenants would be, for example, to pay adjoining landowners to accept a restriction of no subdivision of their land or something like that?

**Mr HUNT** — That is right — to abandon any right to rezoning.

Did I gather that you wanted me to leave copies of the principles to guide the minister?

**The CHAIR** — Sure.

**Mr HUNT** — I think I have enough copies here.

**Mr KAVANAGH** — Thank you, Mr Hunt.

**Mr THORNLEY** — Thank you, Mr Hunt. Let me say, sir, if I may, and I hope you will understand this is meant sincerely as it comes, if you will, across the aisle, we owe you a debt of gratitude for the work you did so many years ago that has provided us with the legacy of the green wedges. I want to put on the record our appreciation of that work and of your continuing interest in it, as indeed I did for your late colleague Mr Jona and his great legacy with our road safety laws.

I am just wanting to summarise in my own mind your suggestions about how we best protect the green wedges. I will just repeat what I think I have heard and make sure that it covers what you have suggested, and ask if there are any other mechanisms. I guess the concern that I have is as land scarcity increases, the financial arbitrage between the value of the land for development and the value of the land for green wedges becomes ever wider and creates greater and greater incentives for the destruction of the wedges. If I understood you correctly, I think there were three or four mechanisms that you suggest might help alleviate that pressure, or prevent that pressure from succeeding. The first one, which I think we already have, was to require action by the Parliament before any of that land can change, so that at least provides some buffer.

**Mr HUNT** — Yes.

**Mr THORNLEY** — The second one, which I am particularly interested in, was the use of covenants, and I guess there is presumably some sort of financial exchange required in exchange for those covenants.

**Mr HUNT** — Yes, there is.

**Mr THORNLEY** — The third one was continuing incentives, I guess, for the existing land-holders, particularly genuine farmers, to do what they do. And the fourth was a more holistic management program potentially by — —

**Mr HUNT** — And a rate reduction for genuine farmers.

**Mr THORNLEY** — Right. So the incentive being the rate reduction.

**Mr HUNT** — Yes, a realistic rate reduction, like the 70 per cent rate reduction in Mornington.

**Mr THORNLEY** — Against the rateable capital value.

**Mr HUNT** — Yes.

**Mr THORNLEY** — I guess the rateable capital value ultimately will be determined somewhat by how restrictive the covenants and other restrictions are on the change in value of the land.

**Mr HUNT** — That is not all. I have not meant to be — —

**The CHAIR** — Exhaustive.

**Mr HUNT** — Exhaustive, yes. For example — —

**Mr THORNLEY** — We would welcome any other suggestions you have, while we are on the topic.

**Mr HUNT** — In the south-eastern green wedge there is an old sand pit, which became the tip. The tip is now finished, but it is hardly green wedge land as it is. You might want to say to the owners, 'No, you can't develop it as urban land, but we will pay you to reafforest it, or to put decent soil on top' — —

**The CHAIR** — Rehabilitate.

**Mr HUNT** — To rehabilitate the land. You could do things like that. I do not say that is the end of it, but I do say that if you move to enlarging the authority of the catchment authority, it would come up with some excellent ideas. I have come up with a few from my experience; that is all. The catchment authority is studying the issue in detail.

**Mr THORNLEY** — If I may — given that almost everyone on this committee with the exception of the Chair, Mr Davis, are all new to the Parliament — draw on your experience. Do you have any tips on how to go about getting bipartisan support on these types of issues? How did you go about doing that as a practical matter?

**Mr HUNT** — Yes. Planning has been bipartisan for most of that period. I remember in 1961 the Honourable Murray Porter, later Sir Murray, introduced the Town and Country Planning Act, and John Galbally of the Labor Party had objections to about a dozen clauses. What Murray Porter did was to appoint a tri-party committee, of which I was a member in my first year in Parliament, because I think they knew my interest in planning. But Hamer was not even a minister then. He and I were the Liberal representatives on the committee, and there were Jack Galbally and John Walton from the Labor Party, and the leader and the deputy leader in the upper house of the Country Party as it was then called. Murray Porter said, ‘I don’t care what you decide, but think of the public first. Don’t think of your interests. Think of what will serve the public. And anything you agree on unanimously, I will agree on’. We did about 20 amendments to that bill, and that was my first experience of the bipartisanship of planning and the spirit in which it should be conducted. I tried to carry it out in the same way, and I have had good personal relationships with most subsequent ministers of planning of either party and have tried to help when I could.

**Mr O’DONOHUE** — Thank you, Mr Hunt, for your submission today and your comments. It is great to see you here in the Parliament. Just picking up some of your comments in relation to the green wedge, you have spoken about the issue of resourcing to maintain the green wedge and providing incentives to keep land within the green wedge, and you have spoken about the issue of precedent, to my understanding, from a perspective of rezoning and giving up green wedge land.

**Mr HUNT** — Yes.

**Mr O’DONOHUE** — Would you like to make a comment on the issue of precedent about decisions that have been made within the green wedge policy that have not changed the zoning of the green wedge land but have been held to be permitted use within the green wedge? More broadly, do you have a view of what sorts of activities should be allowed and permitted within green wedge land?

**Mr HUNT** — Firstly, genuine farming — although now, for example, broiler farms are out of fashion — and anything recreational. On the peninsula on the green wedge land there are walking tracks, there are places for pony rides and the like, and there is encouragement of recreational activity and passive recreation, too. No, I think it would be off the top of my head for me to take that too far, and it is something that should be studied by a body such as the revamped catchment management authority.

**The CHAIR** — I am keen to see the better coordination, as you have outlined, and I see there is some significant merit in those suggestions, but I am also keen to understand exactly how government land within the wedge can be used as part of that coordination to play some leadership role — for example, it seems to me that there are problems with weeds on private land but also on government land. If you try to protect biodiversity, say, inside a wedge, it seems to me that the government has a responsibility to lead by example of good neighbourliness, in some respects.

**Mr HUNT** — Yes, I would agree with that. It is a question of funding, is it not? If you have some resources on the part of the management authority, those could be made available or made available in part. It is a question of what is reasonable to charge the metropolitan ratepayer for access to the green wedge or as a contribution to protection of the green wedge.

**The CHAIR** — As part of Melbourne 2030, the green wedges lands and the urban growth boundary were declared. Mr Thornley has outlined the process, that you need Parliament now to change the boundaries. Did you believe that there was a sufficiently focused and bipartisan approach to the outlining of that urban growth boundary?

**Mr HUNT** — There was in 1971, when it was established. There was bipartisanship with not quite unanimity, but very close to it. We did have in the Parliament as member for Westernport for a brief time one Doug Jennings, who thought that Hamer and I were robbers because he could make \$8 million profit by subdividing his farm at Flinders.

**The CHAIR** — There is a long story about this.

**Mr HUNT** — I'll say there is a long story about this. We made it plain to him that he was not going to use his membership of Parliament to get a rezoning — he was not going to get a rezoning, full stop. That was his foolishness, if he thought that we were robbers because we would not let him make \$8 million profit — and we did not, either. He lasted one term, that is all.

**The CHAIR** — I am familiar with the history and I concur with your view. When Melbourne 2030 was declared in 2002 — and the urban growth boundary was brought in in that period — a series of committees met around the edge of the city. The records of the proceedings of those committees have never been made public and remain secret to this day. My concern here is that in the spirit of bipartisanship you need to have transparent processes. My concern and the concern of many others is that the boundaries were drawn in an opaque way. Do you think there is prospect for improving those processes?

**Mr HUNT** — If you read my advice to the minister, I think that will answer your question. It was — —

**The CHAIR** — It was a unilateral approach.

**Mr HUNT** — Yes. That advice was meant to be confidential at the time, but I have released it at a planning conference. You make up your own mind about that when you read that.

**Ms PENNICUIK** — Mr Hunt, in your letter to the committee you say that there should be substantial and compulsory reduction in the general rate of farmland. Could you speak more about that?

**Mr HUNT** — Yes. I mentioned the Mornington reduction as 70 per cent of the general rate. I think it is very, very important that farmers should not bear the burden for the whole community, because if you expect them to do it, sooner or later they will revolt and you will start to lose your green wedge land, I believe.

**Ms PENNICUIK** — But you are supporting the farmland being in green wedges?

**Mr HUNT** — Oh, yes. Farmland is often in the growth corridor, too, but whether they should get the reduction or not is a matter for policy. I am concerned about the land that is in a green wedge, yes.

**Mr O'DONOHUE** — In that context, Mr Hunt, are you concerned about some of the approvals for conference centres and residential subdivisions and other developments that have been approved in the green wedge?

**The CHAIR** — Caravan parks.

**Mr O'DONOHUE** — Caravan parks and retirement villages?

**Mr HUNT** — I opposed very, very strongly and with a very, very detailed statement the proposed conference centre next door to Greens Bush on the Mornington Peninsula. It would have meant the end of Greens Bush sooner or later.

**Mr O'DONOHUE** — Do you think that what is permitted in the green wedge needs some tightening or some clarification?

**Mr HUNT** — Sure. I think if you have a good management authority, that management authority should constantly review what is permitted, what has been shown not to succeed and what is clearly okay. I would not like to say off the top of my head what the limit should be, but it should be studied properly and I do not know that there has ever been a sufficient study.

**The CHAIR** — Can I ask one brief further question? There is one specific parcel of land on the peninsula that we have had quite a deal of evidence on — that is, a 40-hectare lot at Devilbend. It is certainly my view and

certainly the evidence of some who have made submissions to us that that parcel of land should remain part of the Devilbend reserve. Do you have a view on that, given that it is in your area and you are familiar with it?

**Mr HUNT** — It is right in my area, and of course I support that view. There is room for other views.

**The CHAIR** — Alan, thank you for your evidence. We appreciate it very much.

**Mr HUNT** — I mentioned Associate Professor Michael Buxton as the best researcher on it. This is his comprehensive paper on maintaining Melbourne's green wedges. I will leave it with you, if you want it.

**The CHAIR** — Yes, thank you.

**Mr HUNT** — I think you should call him.

**The CHAIR** — I agree.

**Witness withdrew.**