

CORRECTED VERSION

SELECT COMMITTEE ON PUBLIC LAND DEVELOPMENT

Melbourne — 21 April 2008

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Mr D. Mitchell, Point Lonsdale Coastal Spaces Group.

The CHAIR — David Mitchell, I welcome you as representative of the Point Lonsdale Coastal Spaces Group. I ask you to perhaps give us a short presentation and then we will ask questions.

Mr MITCHELL — Just in reference to that, Chair, I do have a presentation that will probably take 20 minutes. Is that okay?

The CHAIR — Sure. We have about 40 or 45 minutes.

Mr MITCHELL — So if I took a reasonable amount of that time?

The CHAIR — I would try to keep it to that.

Mr MITCHELL — Okay. My name is David Mitchell. I currently reside in Queenscliff. I am a community activist. In my earlier working life I have been a chartered accountant and a merchant banker, and like many others I was extensively involved in the privatisation of the Victorian power industry.

I am here today representing the Point Lonsdale Coastal Spaces Group. That group has been conducting a campaign for the last three to four years opposing residential development of a corridor wetland on Lonsdale Lakes at Point Lonsdale.

I understand this committee has been established to investigate the profound public concern for the preservation of public land. Any discussion of public land necessarily requires consideration and discussion of the factors of change and public policy that are impacting on public goods and services in general, which are in turn located on public land.

PowerPoint presentation shown.

Mr MITCHELL — I would describe the public concern for the erosion of public land as being akin to the metaphor of the canary in the mine shaft. All is not well in the mine; there is a greater problem. I would like to open by saying any discussion on public policy must be founded on the principles of sustainability. In the first diagram on the board, typically sustainability is represented by the three intersecting circles, and the most appropriate actions for the community to take are those actions which represent actions which achieve outcomes that are environmentally, economically and socially beneficial.

However, I prefer to draw the circle on the right, where in fact society is contained entirely within the economy, and the economy is contained entirely within the environment. How our society and indeed individuals relate to the environment is defined essentially by our work and our labours. Whether we live sustainably will depend on the nature of work, which will require much, much more than pursuing initiatives where the circles intersect: saving water and using fluoro light globes. More particularly, an understanding of the nature of work and the key determinants of our economy will assist in understanding public policy, which will be reflected in our attitude and management of public land.

Firstly, let us consider a case of public land management in the environmental context with which I am most familiar, and that is the Lonsdale Lakes wetlands. The Lonsdale Lakes wetlands is actually that area circled in yellow. Almost all of that land is zoned residential, and, unlike any other parcel of residential land in the state, it is subject to an EES. An EES is required by both the state Minister for Planning and the federal minister for the environment, largely because of its association with that large body of water to the top, which is the Ramsar site at Swan Bay, and it is also surrounded, as you can see, or provides the corridor wetland to Lake Victoria, which is the body in the right-hand corner and the lagoon, which are state conservation reserves. This parcel of land is strategically very important to the environmental integrity of the whole wetland system. The proposal for that site is 770 homes.

The CHAIR — That is the current proposal?

Mr MITCHELL — That is the current proposal: 770 homes. Our objective has always been to restrict the residential development to retain the existing waterways with an appropriate environmental setback. If we are fortunate enough to restrict the development to retain those waterways in the yellow circle, the value of the land which is currently zone residential will be reassessed, of course, and it will enable parties such as ourselves even to buy that land.

To that end we have applied to the Trust for Nature, and we now have an approved tax deductible fund called the Lonsdale Lakes Conservation Foundation, and in that event, depending on the outcome of the EES and the environmental assessment of that land, we would stand ready to purchase that land and institute the conservation management plans necessary to look after it in perpetuity. The significance from a public land point of view is that it would be our intention to vest that land back to the municipality as public land. The municipality may have some management — —

The CHAIR — That is Greater Geelong?

Mr MITCHELL — The City of Greater Geelong. The municipality may have some issues with taking on open space, but we would argue that, given the resources that we would like to consider to be able to apply to that, we would hand them over a parcel of environmental land which to a large extent, we would hope, would be self-managing.

I guess the follow-on from that — there are just two other points before I leave this slide — is that we would encourage the state to review key or strategically important environmental tracts of land such as this for acquisition, particularly in corridor lands and waterways, to consolidate our environmental estate. I should also say that all the water bodies except the water body in the yellow circle constitute public land, and if we were fortunate enough to be able to vest that land back in the public realm, there is then the consideration that we would pursue initiatives such as the Trust for Nature revolving fund. I do not know whether you know about it, but the private land surrounding those waterways could be acquired, a conservation management plan done on the private land, a covenant placed on the title, and you resell the land back to the market. In actual fact you do not have to acquire all of the land, but it is very, very important from a public land management point of view that you establish precincts and corridors around which the private sector can take appropriate initiatives to add value to the environmental estate.

I would like also to say that any environmental action like this one typically gets the following response: ‘What about the developer?’. I should say that the residual land left on that site, should we retain the waterways, is not much, admittedly, but the developer purchased this land fully aware of its limitations, and those considerations were reflected in the purchase price. Without delving into the economics of what they paid for it and how many houses they need to recover their investment, there is a financial scenario that suggests a lot fewer houses than 770 homes would actually recoup an attractive financial return for the developer.

The second and probably the most important thing from a public land management point of view that I would like to discuss is the second response you get, which is, ‘What about those Victorians who want access to the coast?’. There is a very palpable argument that many councillors put to you. They say, ‘Look, David, there are a lot of other people who would like to come and live down here or have access to the coast’. There is a mistaken belief that increased residential development on the coast provides the community with equitable access to the coast. Residential development on the coast is making the coast more exclusive.

You typically find, particularly in our area, that people do build homes, and in fact these homes are vacant for up to 10 months of the year. More importantly is that what we found when the last major review of setting a standard for planning schemes was done during the Kennett government was that a lot of caravan parks, motels and guest houses were zoned residential. What we have found in the last decade in particular is that caravan parks and tourist accommodation that once gave many more Victorians than a couple of hundred people who buy homes access to the coast have now been done away with.

In Queenscliff, the former Ozone Hotel and two caravan parks — and in fact many caravan parks on the peninsula — are now housing. The public land consideration for this, in my view, is that the state and local governments should be looking for strategic parcels of land close to the coast to be declared Crown land and to be continued to be managed as caravan parks, motels and guesthouses, to provide the opportunity for the 4 or 5 million Victorians who do want to get to the coast to do so, rather than just the few who can afford to buy down there.

In the event that land is acquired by councils and state government and is passed on to a private operator of a caravan park, it is very important that that land — with the motels, guesthouses and caravan parks on it — be zoned not as residential but as a special zone tourist accommodation, so that successive operators pass on the operations at the capitalised value of maintainable earnings, not for their real estate value. Even if a caravan park or guesthouse is

doing very well economically, when the owner sells it he will seek the best outcome and that will typically be for residential use, and we lose the benefit of the accommodation and all Victorians lose the benefit of access to the coast.

The last thing I would like to talk about is jobs, which is the next consideration. The overhead is a map that is part of the City of Greater Geelong strategic management plan. It is very hard to see, but it is there just to give you an idea of what happens if you do not build 770 homes on the Lonsdale lakes parcel of land. Although the area — you cannot see it — that is nominated at the bottom of the map as residential, strategically it is in green, which is conservation, floodway and scenic. More importantly, the City of Greater Geelong plans by 2030 to triple the size of Ocean Grove, which is only 3 minutes up the road from that particular site — that is, to take it from 10 000 to 30 000 people.

The City of Greater Geelong plans to double Drysdale. Leopold is the next major growth centre. The City of Greater Geelong proposes to put a town the size of Ballarat — 70 000 people — to the south of the town on the site of the old Geelong airport on the Surf Coast Highway when you come out of town, which is Grovedale and near the new Marshall railway station. From the point of view of having the opportunity to retain this as an environmentally significant parcel of public land, the point is that with this particular proposal the builders and plumbers in the City of Greater Geelong are not going to be out of work.

It is important to note also that a key driver, if not the key driver, in post-industrial Geelong is housing. I submit that the role of housing or residential development is a key determinant in economic activity on the eastern seaboard of Australia and is central to a discussion of public policy and the consequent alienation of public land for private development. The economy is the circle around the social centrepiece in the diagram on the whiteboard. We are all very busy, but few would argue that things are not getting any easier. In fact many would argue that the quality of life, as distinct from the quantity of life, is deteriorating. The job of government is not getting any easier, either.

The provision of public goods and services by government is increasingly characterised by, firstly, the need to constantly ration access to limited public goods and services in the face of unceasing and growing demand for such goods and services, and secondly, a seemingly reducing ability by government to adequately maintain the provision of such goods and services. It is not uncommon for governments of all persuasions to argue that there is never enough, but the problem is increasing. Many social commentators and researchers recognise that the scarcity gap is getting wider and more and more people are being left out. The typical public policy response is to seek to achieve economies of scale through service centralisation and to relieve the state of the obligation through privatisation and let the market decide. Centralisation and privatisation give rise to surplus public land.

We do not have the time at this point to address such issues as the role and quantum of public goods and services required by a healthy and cohesive society; the management of public enterprises versus the private model; assessment and valuation methods of public assets, enterprises and land; policies to accommodate the change of public land use in local communities as demographic needs change; and, importantly, whether the market is indeed efficient.

In closing, I would like to address the dynamic in our economy that gives rise to the increasing scarcity of public goods and services and the consequent rationalisation of public services and the resultant disposal of public land. That dynamic is the shipping container.

For Australia, due to lower labour cost regimes in other countries, globalisation has meant that work opportunities are restricted to those activities and goods that cannot be brought into the country in a shipping container. Consequently, domestic economic activity on the eastern seaboard of the country is largely restricted to services and fabrication-type activities. To this end, construction — or, more particularly, home construction — which represents only 10 per cent of GDP, has become the primary activity underpinning job creation in this country. Housing is the multiplier activity on which an overwhelming part of the economy now depends. Our dependence on housing construction will be made worse over time, if the estimates of those at the port of Melbourne are correct. The disturbing thing about channel deepening is that it is expected that by 2030 the port of Melbourne, which currently handles 1.8 million containers per annum, will handle 4.5 million containers per annum — more than double the current number — with a planned increase of 1 million in the population of Melbourne, going from 5 to 6 million.

The hurdle for change is high but not yet insurmountable, because we all know intuitively how much employment across the domestic economy depends on housing starts. Change will be even harder in 2030. Housing construction is consumption; it is not investment. We are building homes to provide housing for workers to build more homes. We are not building homes for people to work in industries that build products that can be exported out of the country, or indeed the state, to generate new income and wealth. How we change this is another discussion.

At this point it is sufficient to acknowledge that population must be sponsored to grow through natural increase, intrastate migration and immigration to put people in the new dwellings and that in the creation of housing we are consuming and redistributing wealth rather than creating new wealth, which should contribute to a larger public sector to meet the needs of a larger community. One fact is undeniable: this growth in housing is clearly unsustainable.

Consequently, with a growing population with no commensurate increase in externally derived income, government will find it increasingly hard to pay for the police, the teachers, the nurses. Government will continue to centralise public services. Government will find it hard to maintain existing services, let alone meet the inevitable demand for new public services and goods. We will run out of water, and we will never build a big enough freeway to solve our traffic problems.

Returning to the canary in the mine — public land — if government continues to rationalise its obligations, there will be in the short term what appears to be a surplus of public land when in actual fact the growing population has an even greater demand for public land, public services and goods. However, the sale of public land will always be appealing to government, resulting in substantial payments to Treasury, releases of land to assist the primary economic activity of housing development, while the market will be left to determine access and equity. The downside reaches far beyond the reduction of the stock of public land that will manifest itself in increased polarisation and ultimately dislocation in our community. Thank you.

The CHAIR — David, thank you for that contribution on two levels: one about the specifics of the Lonsdale Lakes and surrounds, but also about the broader issues of public land development and I guess the economy in a broad sense. Where is the development down there on the lakes? I do not mean geographically, what is the position or the process with respect to council planning processes and so forth?

Mr MITCHELL — The EES and the planning application were put on public exhibition on 29 November for eight weeks, and unfortunately, although it was on for eight weeks, we had three weeks basically to look at it before everyone went on holidays. Submissions closed on the 29th. Council considered the submissions two weeks ago and very disturbingly the report of the *City of Greater Geelong council officers determined that the EES was incomplete. It was incomplete on a number of levels but without going into those, it does not complete its fundamental purpose of determining the environmental impact of the proposal. It failed to consider a number of policies which probably would have stopped the development in the first place. But having said that, the council passed a resolution to pass it on to a panel. A panel puts us at a great disadvantage, because if there has to be, and there will need to be — —

The CHAIR — They will request the government to call a panel, is that — —

Mr MITCHELL — They will request the government to call a panel. That application is now before Minister Madden and Planning Panels Victoria. The disturbing thing about that is that rather than having the EES sent back to the developer to complete, we now go to a panel hearing where there may be a substantial amount of new information presented and at best we will have 10 days to look at it before the panel sits, and that is little or no time to present or produce expert witnesses. We have had to raise \$100 000, of which we have \$85 000, for legal representation and experts, and we would expect to argue that if there is substantially new information, that should be made public and us given time to review it properly. The short answer to your question, Chair, is that the application for the appointment of a panel is with Minister Madden.

The CHAIR — And we have no idea as to whether he will support that or not.

Mr MITCHELL — All the submitters have received letters back from the department saying that the directions hearing for the panel will be on 22 May and that there will be six weeks of hearings to present the information for this, beginning in the middle of June and ending in the middle of August.

The CHAIR — So there is in fact going to be a panel.

Mr MITCHELL — Yes, there will be.

The CHAIR — It just has not been finally appointed.

Mr MITCHELL — That is exactly right, yes.

Mr THORNLEY — I have got a whole range of questions. I would like to take up the macroeconomic discussion but that is probably for another time. I am not as certain that housing construction as a proportion of GDP has actually been increasing all that rapidly for 20 or 50 years, certainly compared to services sectors, but that is perhaps for another time. I am obviously particularly concerned about the nature of this development. The current owners — I have no idea who they are — did they buy it and then get it rezoned? Is that part of your point, that they — —

Mr MITCHELL — No.

Mr THORNLEY — Or it was rezoned prior to — —

Mr MITCHELL — Just one question before we go on, on the macroeconomic, you are right that housing construction has not changed to the extent of GDP, but its contribution to the bigger picture has changed dramatically.

Mr THORNLEY — We might find it is procyclically correlated. That does not mean it drives it, but that is a longer conversation.

Mr MITCHELL — For another day.

There was an original application where they proposed to rezone more land, but the minister knocked that back as a result of the coastal spaces initiative. But no, this land has been zoned residential since probably the middle 1980s. It is a modified landscape. It is an old shell grit mine, and the development did originally start. The first stage of some six stages on that land is just in the corner of the site; 150 homes were built. Yes, this land has been zoned residential for a long time. However, the world has caught up with this piece of residentially zoned land, and there is lots of government policy, including the new draft of the Victorian coastal strategy, which proposes a review of some of these zones, and the fact that environmental constraints now have changed to the point where this land, because of its environment, its position, is very environmentally significant.

Mr THORNLEY — Why do you think it has not been built on for 20 years, if it is had that zoning for so long?

Mr MITCHELL — You have got to remember that to actually put 770 homes on that site you have to remove a coastal dune. That coastal dune there, which is part of the holding of the land, although it is not zoned residential, will be removed. There are 5 to 6 metres of dune there that is going to be physically relocated and put on the blue bit. The construction period will be 10 years, if not longer, because each stage will be required to settle for two to three years.

There are seven stages in the development, and this dune will be excavated progressively, relocated and allowed to settle before any houses are built on it. The impediments to building on this low-lying land — and it is the lowest-lying land on the Bellarine Peninsula other than the Cheetham salt works — are profound. This is not the place to put houses.

Mr THORNLEY — I guess what I am trying to understand from the history is, in simple layman's terms, who is making a quid out of this deal and who is not going to make a quid out of this deal if it does not go ahead. Somebody originally owned the land, although from what I have heard from you it is partly a reclaimed quarry site. At some stage it has been rezoned. Presumably whoever the owners was when it was rezoned must have made a pile on that when they sold it?

Mr MITCHELL — Of course.

Mr THORNLEY — I am just trying to follow the money, as they said on Watergate.

Mr MITCHELL — To put it into context, and this is public knowledge without mentioning names or anything, that land was acquired for \$12.5 million. That is 63 lots at \$200 000 a lot. There are 770 lots proposed for this site. When the developer bought the land you can imagine him sitting across the table from the person he bought it off. He would have argued very, very strongly, and he was fully aware of the environmental constraints and practical constraints of putting houses on this site. That is why he got it for 60 houses.

Mr THORNLEY — Forgive my ignorance of the — —

The CHAIR — He got it for what?

Mr MITCHELL — At a value consistent with 60 houses at \$200 000 a lot. That is a try-on. To put 770 homes on that and to move a dune to fill — —

Mr THORNLEY — When was it purchased for \$12.5 million?

Mr MITCHELL — In 2002. The other thing is the rising sea level. Those homes will be located on a tidal waterway.

The CHAIR — They will need stilts.

Mr MITCHELL — In fact DSE made a submission. It queried the zoning and indicated that the EES did not adequately assess the impact of climate change in relation to the site.

Mr THORNLEY — Why do you think it was zoned residential in the first place? Do you think anything funny is going on there?

Mr MITCHELL — No. The chap who excavated the land, who was the original owner of the land, was the shell grit miner. He had a grand plan for a canal-based estate. No, I do not think there was anything particularly — just the dream of an individual in a time when canal-based estates were — —

The CHAIR — More recently the Stockland Group had a similar canal-based approach.

Mr MITCHELL — No, its development is a canal-based estate. The proposal is for that.

Mr THORNLEY — At least he got council approval for it, unlike the bloke who built his own marina without getting any approval.

Mr MITCHELL — That is right. He was very — —

Mr THORNLEY — That was an interesting one. I had better let it go on, but it is a very important point.

Mr MITCHELL — That is the development for the 770 homes.

Mr THORNLEY — Right.

Mr MITCHELL — That shot there shows what the land was before they even started to mine it for shell grit. The area shown was in fact swampland, sedge land, and to get the shell grit out they just removed the top soil. The resulting wetlands you saw before are quite shallow, and fortuitously they are entirely consistent with the surrounding wetlands.

The CHAIR — And connect between the lake and Swan Bay?

Mr MITCHELL — They are absolutely fundamental to the — —

Mr THORNLEY — From an environmental point of view, while clearly you think this is an inappropriate place to build houses, you think it might be an appropriate place for a caravan park?

Mr MITCHELL — That is a very interesting question. At least you would get your caravans out of the way. It is a highly vulnerable parcel of land. For instance, this is on a drainage line. Essentially you have Ocean Grove that drains into Lake Victoria and Point Lonsdale, and that is trying to get to Swan Bay. I would not put a caravan park there. There are other sites that would better suit a public acquisition for a caravan park.

Mr THORNLEY — What do you think should happen to this land? Do you think it should be turned into parkland and handed over to the municipality to manage as a passive recreational reserve or — —

Mr MITCHELL — If I could just allude to one point. Those wetlands in the red circle are defined as wetlands in the DSE wetlands database, and the City of Greater Geelong's own wetlands strategy says no reduction in number or area of wetlands that are identified in the wetland database — not mentioned in the EES. We would say those areas that are nominated on the wetland database with an appropriate environmental setback should be retained. Admittedly there will not be much land left, but the land that is left — —

Mr THORNLEY — It should be mainly wetlands reserve?

Mr MITCHELL — Yes. This shows the earthworks on the site. I want to show one photo. We think it should be retained as it is. All the waterway you see in the photo will be filled and there will be houses on it, but if you retain the waterway as a wildlife reserve, houses might be located on the ridge where the typing is. You may have 100 homes; you may even have 150 homes, but do not hold me to that. If you look at prices at Point Lonsdale with that sort of view and knowing it was going to be a wildlife reserve in perpetuity, there is a scenario — without any large earthworks, so the cost that you expend would be very much less — that would present a very handsome outcome for the developer.

You have to remember, though, with that smaller-scale outcome, that this is a very large developer. They work in very large numbers. In my mind if we were fortunate enough to retain the wetlands and the residual land was left, I would expect the developer to sell it off to another developer who would take on the development.

Mr THORNLEY — The relevance of this to this committee's terms of reference, as I understand it, is that you are saying this ought be acquired for public land?

Mr MITCHELL — Absolutely.

Mr THORNLEY — It is not currently public land, but you would like to see that occur.

The CHAIR — And public land on either end, of which this forms an integral part?

Mr MITCHELL — That is exactly right. In fact I implore the state or ask the state to do that. There are many other strategic parcels of land around the state that should be acquired, but what will probably happen in practice is that the residential development will be restricted, and someone like ourselves, if we are fortunate enough to raise the money through the tax deductible fund and the philanthropic trust, will acquire the land and return it to a public authority such as the local municipality as public land. The tragedy of it, Chair, is that there are key tracts of land around the state that really should be acquired now which could probably be got at a relatively low cost which would increase our environmental estate.

Mr THORNLEY — I guess I am just trying to understand how that would work as a practical matter. If somebody has paid a pile of dough for something that is zoned residential, if we are going to go around and unzone it residential, that implicitly devalues the private land-holder's land. Do you think they should be compensated for that, or do you reckon that just comes with the territory?

Mr MITCHELL — I would think just in the statewide context there is lots of land that is not zoned residential that is strategically very environmentally important and should be acquired. In this case this is a one-off. You have a parcel of land here that is zoned residential but it is a one-off because you would have normally done the environment effects work before you zoned it residential. The world has caught up with this parcel of land, and I might add the Central Coastal Board made a submission saying also about the zoning being old and inappropriate.

In this instance the developer bought this land, and three years ago he attended many public meetings, saying, 'I know the environmental constraints on this land, I know that I have got to do an EES to be approved by the federal minister and the state minister, I know that I may not be able to develop all this land'. When he bought it, he bought it as residentially zoned land — —

Mr THORNLEY — Subject to an EES?

Mr MITCHELL — It had a big caveat on it, so if the ministers of either federal or state turn around and carve a fair swag out of it, I would argue that he did that knowing full well the risks in purchasing.

Mr THORNLEY — You reckon that is caveat emptor?

Mr MITCHELL — Absolutely. In fact our legal advice suggests on that basis, on the way I have described to you and how these people acquired that land with their eyes open, that there is no legal recourse. You have to remember this particular example is a one-off. It really is, because of the constraints on it.

Mr KAVANAGH — Could you tell us what you think would happen to the land around the land in question if it is sold and developed as residential land?

Mr MITCHELL — When the minister released the coastal spaces initiative to spatially reserve green spaces between coastal villages, and that is why he knocked the first application on the head, the minister said that the limit of the town boundary would be the limit of the urban zone land. In the strategic plan I showed you before and currently, the limit of the urban zone land means that people in this particular area owning private land zoned farming or rural — the new farming zone — will find it very hard to get a rezoning of any more land in that area.

There is one other important constraint on it, too. This land is subject to an EES because of its association with Swan Bay. We have applied to the federal minister and nominated all those wetlands — all those blue bits you can see there — to become part of the Swan Bay Ramsar site. That will form a boundary to the town and if the private land-holders in there want to do anything with that land, they will have to go through the same process that this applicant is going through if they want to change the zoning. That will be a large impediment to any change of zoning in this area.

Mr KAVANAGH — Your material says that development of the land would destroy an irreplaceable corridor wetland?

Mr MITCHELL — Yes.

Mr KAVANAGH — I can understand that it would impact on that particular piece of land you are talking about, but on adjacent pieces of land, would it do damage to them somehow?

Mr MITCHELL — I suppose there is the impact of just human habitation — dogs, cats, weeds, effluent, stormwater drainage. Without going into the detail of the 4500-page EES, the proponent tells you, and has engaged experts to tell you, that it is not going to be a problem.

For instance, if you were to nominate Swan Bay as a Ramsar site, if you were successful in getting the lagoon and Lake Victoria as Ramsar sites, when you look at all the guiding principles of establishing Ramsar sites you would want to take up the intervening land between. In that context I put to you that in fact any consideration of putting a large human settlement basically in a Ramsar site, if those other two water bodies were Ramsar sites, would be just inconceivable. You would not have to argue it.

Mr KAVANAGH — You were talking about a philanthropic trust?

Mr MITCHELL — Yes.

Mr KAVANAGH — Can you tell us a bit more about that?

Mr MITCHELL — I do not think it is appropriate to tell you who the philanthropic trust was, but we have been fortunate in a lot of the assessments. We had to hire experts and get them to do environmental assessment, and there have been philanthropic trusts that have enabled us to raise thousands of dollars to do the necessary work to get the environmental assessments undertaken for us. I guess if you take it the next step, if you are fortunate to hang on to the blue bit in the yellow circle, then you have to acquire it. We went to Trust for Nature, which I am at liberty to talk about, and the board of Trust for Nature approved a vehicle called the Lonsdale Lakes Conservation Foundation which will enable us to raise tax-deductible funds to apply to the acquisition of that land and also to develop the relevant conservation plans.

More importantly, hopefully with the support of not only the fund but corporates and philanthropic trusts, when you put a pool together of, say, a couple of million dollars — \$3 million is the target — we can then, within that catchment, as properties come up for sale acquire the property, do a conservation plan on the property, covenant the title of the property, apply for a rezoning of the property and then sell it back to the private sector with those covenants and constraints on it, hopefully to sympathetic buyers. This is something you would not do everywhere

but certainly on the land immediately surrounding the public land estate, to actually enhance the environmental value of its environs, that is what we intend to do.

Mr KAVANAGH — If you buy this land and you put these covenants on it, is there any commercial value to anybody in selling it?

Mr MITCHELL — Let us say you have a pool of \$2 million, and even rural properties undeveloped there are in that order, so you need to just buy one. You would hope that when you covenant the land you could find someone who would buy the land for a similar value.

Mr KAVANAGH — Even though they cannot use it because of the covenants on it?

Mr MITCHELL — No. In fact if you go to the Trust for Nature website, it has a portfolio of properties that people can buy, with covenants on them, knowing that the natural values of that land will be preserved, and actually paying premiums for it.

You are right; you forego the premium of buying a rural lot near a town thinking that one day you will be able to subdivide it, to the point where if you buy the land with the current knowledge that people have about land in that particular precinct, in fact people might be prepared, if you do the work, to secure in perpetuity the environment values of the land.

The CHAIR — They can still live on the land, to be clear.

Mr MITCHELL — They can still live on the land, yes.

The CHAIR — But a significant part of the property would have a covenant with various controls on vegetation and so forth.

Mr MITCHELL — Absolutely. In fact, not only do they still live on it, they farm it. But a part of the land — the drainage lines, the ridge tops, the native veg on the site — is all fenced, watering points are put in, and you achieve a lot of environmental outcomes.

Mr KAVANAGH — You are talking about buying land around the subject land, not the subject land itself?

Mr MITCHELL — No. In the first instance the business plan we put to the Trust for Nature was that the first money we raised needs to buy it if it should become available. The scenario I am thinking of is that if you have that larger block, the developed area on the residentially zoned land is restricted and the balance of the land which cannot be built on would be subdivided into a block and that would come onto the market. If we are fortunate, it will be largely waterways.

Mr KAVANAGH — For that land, \$3 million might be quite a part of — —

Mr MITCHELL — No. I do not know what, to tell you the truth, a piece of land that is basically and essentially a pond — a large waterway, with probably no residential potential other than one house — would bring. I am not sure. I will not even hazard a guess what it will bring, but rural holdings of 100 hectares or that sort of thing are currently going for in excess of \$1 million. When I made reference to you about the \$2 million to \$3 million, that was other land around the ponds, basically.

Mr KAVANAGH — Yes.

Mr MITCHELL — I have not even shuddered to guess whether it will be a large amount or a very small amount of money that the resultant value of the pondage would be.

Mr KAVANAGH — I refer to your slide no. 38. Is that available somewhere?

Mr MITCHELL — Thirty-eight?

Mr KAVANAGH — Yes, on page 38, I think it was.

Mr MITCHELL — Was that it?

Mr KAVANAGH — No, no. 38.

Mr MITCHELL — Was it that one?

Mr KAVANAGH — Yes, that one. Is that available somewhere?

Mr MITCHELL — That is in the City of Greater Geelong planning scheme on the DSE website or the DPC website, and that is its strategic plan.

Mr KAVANAGH — Thank you very much.

Mr MITCHELL — Just on that, I have not looked at it for a year or so, so I am hoping it is the same. There have not been any notices about changing it, so that should be an accurate representation of what is in the planning scheme.

Mr KAVANAGH — Thank you.

Ms PENNICUIK — Thanks, Mr Mitchell. I like your circle there with ‘the environment’.

Mr MITCHELL — Thank you.

Ms PENNICUIK — Everything is a subset of the environment — in fact, I made that point in my inaugural speech to Parliament just to remind everyone that we depend on the environment and that the economy is not what keeps us living and breathing.

Mr MITCHELL — Thank you.

Ms PENNICUIK — I was interested in your comments about housing, because it has long worried me that we seem to be depending on the housing industry to keep the economy ticking over, and that growth model. With those comments I make in terms of the broad parameters of your presentation, you mentioned in response to one of Mr Kavanagh’s questions — which is an issue that was worrying me and does worry me about Ramsar sites, which is the encroachment of development near them, and in this particular case in the middle of a Ramsar site — the impacts of residential developments on those sites, and you talked about, and this is the question I wanted to go to, pets and weeds in terms of their impact on the site, and from my point of view the impact on the birds visiting the sites of having feral cats and feral dogs. They may not even be feral; they may be domestic cats and dogs that become feral for certain parts of the day or night. Would you like to comment on that?

Mr MITCHELL — Yes. I think there are a couple of things. With respect, the Ramsar site is Swan Bay, which is the large body at the top, although we have gone to the federal minister and asked to include the other water bodies as part of the Ramsar site. Interestingly, if you look at the existing DSE Ramsar site strategic management plan for Swan Bay, in appendix 9 all the waterways except the yellow area are included as wetlands being important to the Ramsar site.

The CHAIR — They left that one out, did they?

Mr MITCHELL — Yes, they did, and it was not considered by Council either. But that came about back in 2002, when the local catchment management committee nominated all the public wetlands in that picture as part of the Ramsar site. Now the state — —

The CHAIR — Corangamite CMA?

Mr MITCHELL — No, this is the Swan Bay integrated catchment management committee, which has all 14 groups on it. All the Landcare groups, the Borough of Queenscliffe, the City of Greater Geelong, DSE and Parks Victoria are on this committee. That committee nominated all those wetlands except the yellow, because they are private, for Ramsar nomination back in 2002. The state at the time said no, they would not send them up to the minister. We would have argued that they did not have the right to do that, but they said, ‘We will recognise their importance in the Ramsar management plan and we will manage them as if they are Ramsar sites’. That is what we are fighting at the moment.

But to answer your question about human impact — and the current Ramsar plan even makes reference to the private wetlands adjacent to the Lonsdale Lakes. But having said that, if you drew a line around the expanded Ramsar site, or the Ramsar site and the appended wetlands, you would surely take in the yellow square. And people do argue now that there are already birds, weeds and so forth — sorry, dogs and cats and people accessing that site. But I put to you that if you did put 700 homes there, that would be untenable for the integrity of the whole system. I mean, you would just literally go over the tipping point. Even though the developer has made representations and undertakings to include a very large area of the balance of the land he owns as a conservation precinct, these conservation precincts are pretty much human spaces. I mean, they are places where you walk your dog. People need these places to recreate, but there are not very many precedents for where people and birds use the same precinct.

Ms PENNICUIK — I think that is my point. You were talking about 100 sites on the part where you get a view, or something. If you are looking at your diagram there, from an environmental point of view that is an integrated wetland, and the yellow area that has been zoned residential — mistakenly, and that becomes obvious now; maybe it was not so obvious — —

Mr MITCHELL — At the time.

Ms PENNICUIK — Not to everybody. Certainly lots of people were talking about climate change then, but were not necessarily being listened to. You are saying that that is the lowest-lying level of land on the Bellarine Peninsula, which I would say is pretty well low-lying anyway.

Mr MITCHELL — Except for the Cheetham saltworks at Moolap.

Ms PENNICUIK — So you are talking about 100 houses. I would suggest that if you are thinking of putting 100 houses there, that is corresponding to that model and not the right-hand model?

Mr MITCHELL — Yes.

Ms PENNICUIK — That would be a compromise of the environmental integrity of that site. Would you agree with that?

Mr MITCHELL — I do. On the spectrum I am at the end of no housing at all, but the only reason I entertain that view is that, even with the ecological advice that we have obtained, there are some parts of that land, and they are essentially the bits abutting the existing settlement, which is right to the east there. It would be very hard for us to argue for no settlement there. If it was done correctly, although those houses would provide a new edge to the town, you may hopefully be able to provide a much more sympathetic edge to settlement and the wetland than we provide now.

Ms PENNICUIK — Why would it be hard to argue for no settlement there?

Mr MITCHELL — There are issues like setbacks. Environmental setbacks are a very arguable point. I believe you can argue strongly about the retention of the watered areas — and there are vegetation communities there that you can argue strongly to retain — but when you argue about that and you say, ‘What should the setback be?’, within the profession I am beginning to learn that it is a point of argument.

I think, practically, there should be no houses on the land at all, but someone will sit down at a table one day hopefully and draw a line across the landscape, and I sincerely hope it is as close to the existing boundary of the town as possible.

Ms PENNICUIK — I suppose what I am saying is people draw lines everywhere. We are talking about a wetland. The birds do not know the line is there. We are talking about international migratory species, and we are talking about climate change and we are also talking about the other biggest problem that is facing the planet, which is the loss of biodiversity.

Mr MITCHELL — Absolutely.

Ms PENNICUIK — I just wanted to see where you were in terms of ‘no houses’, because to me that would be the obvious use of that land.

Mr MITCHELL — I can only hope you would be on the panel.

Ms PENNICUIK — You have told us about going to the Trust for Nature for money et cetera and there was a copy of a postcard that was sent to Senator Campbell?

Mr MITCHELL — Yes; all politicians.

Ms PENNICUIK — Have you approached the current federal minister?

Ms MITCHELL — We met with their advisers on Friday. We have lobbied, lobbied and lobbied — and continue to lobby — as powerfully as you possibly can with our newly elected representative for Corangamite, but we are lobbying and canvassing as solidly as possible.

One interesting thing, though, which we have had, unfortunately, lobbied very, very hard with and we have had a real problem with is the state minister for climate change and planning — both of them — from the point of view that —

Typically in a planning matter — my experience, and I am not an expert in planning — my experience has been that, if you are introducing a new initiative, typically you might call a moratorium on some parts. Minister Hulls, when he put out the Coastal Spaces initiative, said, ‘Until such time as each town does its structure plans, the limit of settlement will be the urban zone land’, so he drew a line in the sand and developers and community all knew.

But the state at the moment is undertaking the Future Coasts initiative and has now embarked on a two-year program to map the coast to determine what our response as a state should be to rising sea levels. I am staggered that the minister for climate change or the planning minister have not said, ‘We know what the most vulnerable lands are on the coast, and at least for the time being, time out’. I understand the minister in two instances — at Golden Beach and at a development in Portland — has called moratoriums. We are lobbying him very hard to call a moratorium on this site.

The CHAIR — Just following up your point, what was the federal minister’s response? You mentioned you met on Friday with the current federal minister and his staff?

Mr MITCHELL — Yes; we wrote originally on 12 December. We have written two other subsequent letters. We have had verbal communication from his office, his chief of staff, that our application and letters have been received and are being processed. We have had no written response from the minister. That was our first face-to-face meeting since December with any representative of the minister.

I think the argument that we paint is self evident and quite powerful, particularly with the work that we have done environmentally to assess it and the original application that was put in in 2002, and the state’s own recognition of the values of these wetlands — the yellow square being a declared wetland on the DSE database. The argument is quite powerful. It is just a matter of getting people to act. It is always just that cusp. It is now time, that if we do not do anything it is going to be embarrassing, I guess.

Ms PENNICUIK — In terms of your gathering funds to save this piece of land — it is a community group — this is an issue that has come to our attention many times. Community groups are scraping around trying to gather evidence to challenge what is put forward by proponents in EESs. You mentioned that this particular EES did not take into account the strategic identification of those wetlands?

Mr MITCHELL — Yes.

Ms PENNICUIK — How does that leave you in terms of confidence in that process?

Mr MITCHELL — The EES process whereby the proponent funds the experts is a huge disadvantage to anyone. The disturbing thing about it is what local government does. When a local government has a contentious application that may be subject to a panel or VCAT hearing, the councillors all sit back and say, ‘We will refer it to a panel and they will sort it out’. But what the councillors do as soon as they do that is they transfer the decision into an environment that is a legal and expert area. As a resident I talk to my councillors, who can stop this development, but they pass that obligation on to someone else.

If I want to argue that case, I typically go to the panel and they say ‘Mr Mitchell, thank you very much for coming along. We have heard what you had to say’, and the expert of the proponent sits at the other end of the table and says, ‘The risk is entirely valid, and this is how I am going to mitigate it’. If I do not have another expert at the other end of the table saying, ‘That method of mitigation is not appropriate, it does not work’, the panel member sits there typing away — and I have seen them — that expert A said this is not going to be a problem.

You talked about raising money. We made a budget of \$100 000 to appear at this EES hearing, of which we have raised \$85 000. We are going to fight rising sea level. In fact DSE in its own submission, and even the proponent says in the EES — the one thing he does say — is that this is a matter for state and communities. And here is our group fighting an issue of rising sea level when really the minister should have given us a determination, it should not have to go to a panel, and we should not have to find an expert to front up and fight rising sea level on that parcel of land. So in fact to answer your question specifically, the panel process as it is set up at the moment, unless you have an expert to walk in the door who is prepared to challenge the advice you get from the proponent’s expert, you are wasting your time.

Ms PENNICUIK — Just as a follow-up to that, given that we would all agree that this area is of international and state significance — international significance as an international wetland and state significance as an environmentally significant site — should not those governments be prepared to provide funds to ensure their conservation?

Mr MITCHELL — Absolutely. I specifically did not mention government because in our plans, should those waterways be excised out of the development area, it would be marvellous if state, local and federal governments contributed to that process. In fact Minister Garrett has put out a statement a couple of weeks ago about \$180 million for the national reserves system, and we have our application in to participate in that to acquire the land.

The CHAIR — He also admits to a 40 per cent cut in Victoria.

Mr MITCHELL — He does, Chair.

The CHAIR — Thank you for your contribution. I for one have seen this site a number of times and have looked at it very closely, and I am very concerned that an intense development would occur on it. I think we would lose something very significant, and I think there is a failure of the planning process here to prevent that loss.

Mr MITCHELL — Thank you, Chair, for the opportunity.

Witness withdrew.