

# CORRECTED VERSION

## OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

### **Inquiry into urban growth boundary**

Melbourne — 20 October 2009

#### Members

Mr N. Elasmar

Ms D. Green

Mr M. Guy

Ms C. Hartland

Mr D. Hodgett

Mr D. Nardella

Mr G. Seitz

Mr K. Smith

Chair: Mr G. Seitz

Deputy Chair: Mr K. Smith

#### Staff

Executive Officer: Mr S. Coley

Research Officer: Ms K. Delaney

#### Witness

Friends of Banyule Inc.

Mr Dennis O'Connell, (sworn).

**The CHAIR** — I welcome Mr O’Connell to the hearing of the Outer Suburban/Interface Services and Development Committee. All evidence given at these hearings is protected by parliamentary privilege as provided for under the Constitution Act 1975, the Parliamentary Committees Act 2003 and the Defamation Act 2005 and, where applicable, in other jurisdictions and territories. What you say in here and what appears in the Hansard transcript is protected, but if you go and repeat those things outside this hearing, you do not have parliamentary privilege.

I invite you to provide you mailing address where we can send you a copy of the transcript of your evidence.

**Mr O’CONNELL** — It is P.O. Box 577, Heidelberg, 3084.

**The CHAIR** — You have about 20 minutes to make your presentation, and then we have allowed 10 minutes for dialogue with the committee.

**Mr O’CONNELL** — There are two ways I could do this. If you wish, I could read our submission into the transcript, or alternatively I have a short overview of that.

**Mr NARDELLA** — Go to the short overview.

**Mr O’CONNELL** — The short overview would be the preferable way to go! Let us do that.

**The CHAIR** — Just walk us through some of the points you want to highlight.

**Mr O’CONNELL** — I am sure you have read all of it. Just to go through the key points contained in our submission, I begin by referring to increased car dependency. Residents of newly developed outer urban areas will be obliged to have high levels of car dependency to commute as a result of expanded urban growth boundaries, with the resulting additional levels of air pollution, increased travel times and traffic congestion at a time when overall Melburnians have taken up significant levels of increased public transport patronage.

Increased traffic densities will result through middle-ring and inner suburbs, including those in the Banyule municipality, as a result of greater traffic flows generated. We note the recent comments by Treasury secretary Dr Ken Henry in the commonwealth government’s tax review that the cost to the economy of congestion is estimated to be in the region of \$9 billion annually, rising to approximately \$20 billion over the next decade.

I turn to the impact on the environment and the loss of green open space. Loss of green open space in green wedge and other areas will occur as a result of this urban expansion, including grassland, river and creek environments, with increased pressure being generated to build new and extend existing freeways. This will include residential areas, with potential compulsory acquisition, as well as areas with high conservation and recreational value, including public land and green open space, which are significant environmental assets to the community as well as for the city.

For example, in Banyule’s case this includes the proposed north-east link proposed to be built through Warringal Park, Banyule Flats and Bolan Bolan wetlands, a significant green corridor with high levels of remnant fauna and flora as well as cultural and historic significance. It is home also to the Heidelberg School painters and the nearby Heide Museum of Modern Art.

There is a lack of public transport and basic infrastructure in these proposed new development areas, and the proposed land tax on sale — or purchase, as was recently suggested — will generate only approximately 15 per cent of required revenue. The consequent potential social isolation of residents will generate problems for these communities as well as for society in the future.

Despite recent comments by the planning minister about the proximity of jobs and transport of these new areas, for the most part they are far from either. Better public transport options, such as the Mandurah rail line from Perth which has been completed in recent years, could be built at a

fraction of the cost of, for example, the proposed north-east link planned, as noted, to be built through Banyule.

Potential light rail options such as a Clifton Hill to Doncaster–Bulleen Road line and utilisation of other freeway reserves could be considered as viable alternatives. Construction of yet more roads and freeways to accommodate increased urban expansion diverts public funds which would otherwise be available for new and expanded public transport options.

There is a back-to-the-past approach to planning. The planning approach encapsulated in the expanded urban growth boundaries is a road and freeway-centric style of urban planning and development at a time of increased need to reduce our carbon footprint and energy consumption. This type of ever-expanding metropolis with exponentially increasing population levels is not compatible with quality of life or the environment. A proposed increase of 1 million people by 2020 is taken as a given and should be the subject of major debate and discussion as to whether this is either sustainable or desirable.

The type of expansion is not consistent with government policy elsewhere, including on the environment, sustainability or in fact its own planning policy, including Melbourne 2030, which sought to limit growth on the urban fringe.

In our submission we briefly touch on the potential to place residents in harm's way. This approach of continually expanding urban boundaries leaves residents on the urban green corridor and open space interface not only without sufficient infrastructure but also in areas which either have been or are likely to be impacted by bushfire — and this includes grassfire — in the future. It has been noted by the government's own emergency service authorities that these fires are likely to be more frequent and more intense as a result of climate change in the future. We need to plan for this now rather than react when something happens. This issue needs to be factored into all future planning and development consideration. We submit that this, as well as all of the above, is part of what should be a holistic approach to planning and development of Melbourne as a city overall if it is to remain as livable as it was once proclaimed and as it should be in the future.

**The CHAIR** — That was very concise. Thank you.

**Ms HARTLAND** — Thanks for the submission generally. I was interested in the comments at page 4 of your submission where you talk about the Perth–Mandurah rail line that was created. I recently had an opportunity to be in Perth and went and had a look at that. I thought it was very impressive.

**Mr O'CONNELL** — It is.

**Ms HARTLAND** — You are looking at it in terms of saying this is where the money should be spent rather than on freeways.

**Mr O'CONNELL** — We are, yes.

**Ms HARTLAND** — Can you elaborate a bit on that?

**Mr O'CONNELL** — Certainly. If we are to expend funds, for example, on the north-east link, with the tunnelling that it has to have to go under the Yarra River — and several times, as the Yarra is of course a very winding river, and certainly in the Banyule area it is — the cost is somewhere in the vicinity of \$6 billion, I think, or some figure like that. I understand the Perth–Mandurah rail extension was built at a fraction of that cost, and I believe it was done both under time and under budget.

We think alternatives such as a light rail heading in an easterly direction from Clifton Hill to Doncaster and then possibly along Bulleen Road, which has been mooted and has been talked about in public as an option — or possibly even heavy rail, which the Mandurah line is, but in this

case light rail would be a preferable option — could be established at a fraction of the cost and in a fairly quick space of time. The freeway reserve on the Eastern Freeway is already there. It is quite wide, about 400 to 500 metres wide, and it could then divert, say, along Bullen Road, which also has a fairly wide reserve along there, past the schools and other facilities there which it could serve. It could be built more quickly and more cheaply and would not involve us in this huge freeway and tunnel construction.

**Ms GREEN** — Thanks, Mr O’Connell. I note your comments about the 2006 census and the use of bus and rail trips to work, which were obviously quite low at that point. I am wondering whether the Friends of Banyule made submissions or were aware of the findings and the new services that came out of the Banyule-Nillumbik bus review, including the new green orbital cross-town bus service that has begun to service Banyule and also the yellow orbital bus route that is going to start in about 12 months and which, noting your comment, will give direct access to the airport.

Finally, in relation to your comment about local employment and the problems of the 1950s and 1960s — and I would not disagree with you — are you aware of the success of the employment targets set in the city of Whittlesea? They have set themselves a target of one job per household for each new house, and they have almost doubled that. I wondered whether the Friends of Banyule were aware of that, because I think that has an impact for traffic projections and things like where people work and all that.

**Mr O’CONNELL** — Probably not the latter specifically in terms of Whittlesea, but in terms of the orbital bus routes and so forth we have had discussions and made submissions. In fact we had somebody from the Victorian bus association come along and address the steering committee recently, and he spoke of the orbital bus route, which we would agree is definitely the right way to go and has apparently so far had good patronage. So I guess we would agree with you. The good public transport initiative, when you actually do it, does get a fairly positive reaction from the public, so we would certainly encourage that.

**Ms GREEN** — There are the other local bus services that now run until 9.00 p.m. and have got the minimum standards. I agree with the points that have been made there, but I think having the up-to-date information is important, and I would probably encourage the Friends of Banyule to have a look at that and the new services that have been provided in the area.

**Mr O’CONNELL** — Yes, we have. This is probably a general comment, but we would agree that we think recent bus initiatives have been good.

**Mr NARDELLA** — In your submission you say there should not be an expansion of the urban growth boundary. Which areas in Banyule would you elect to have as high-density areas?

**Mr O’CONNELL** — This is the dichotomy which Melbourne 2030 was trying to address, and that is how you limit growth on the urban fringe, which Melbourne 2030 did and we hope in the future it will still have some tools to do that, despite the expansion of the UGB as proposed. I do not think there is a major objection to low to middle-rise development in the inner city or in the middle-ring areas such as Banyule. In fact as I was driving along Heidelberg Road on the way here I noticed that construction has started on a new building at the corner of Burgundy Street and Lower Heidelberg road, and that I believe will be about five storeys or so.

There may be some people who might object to its proximity to Warringal Park, but so far there has not been a major objection to some development. If that was a 10-storey building such as that being built in or near parkland, say, in the city of Darebin adjacent to Northcote Plaza, I think there would be objection, but to levels of three, four or five storeys I do not think there is a major objection so long as the planning is done sensitively.

**Mr NARDELLA** — What I have found is that there are levels of objection. The most famous one is Camberwell, and it is a real problem. There has to be recognition that this type of stuff

needs to occur, even if it is 10 storeys high and next to parkland. We are getting objections at the moment that we are building units and apartments next to railway stations, of all things. Not only is that a dichotomy, as you call it, but it is a problem. In Sydney in New South Wales, where the committee went, and George was there, there is an agreement by the inner ring and middle-ring councils in regard to densification. Until we become serious we are going to get an extension to the UGB and these problems that you talk about, which I absolutely agree with you are real problems, will have to be dealt with.

**Mr O'CONNELL** — I certainly understand what you are saying. There is an ongoing tension that exists in planning policy in Melbourne, and as I say, 2030 endeavoured to deal with it. Recent discussions about seven storeys, supposedly, along tram routes and so forth have obviously sparked controversy. Of course if you are living on the transport hub or activity centre interface, say a block behind those seven-storey buildings, you might quite rightly have an objection. These are issues which are happening all over Melbourne, and certainly Camberwell station is a very good example. But if these are done sensitively and take into account local concerns, I think they can be done. I do not think they are completely impossible to achieve.

**Mr GUY** — My office is below a whole range of apartments which are up to three storeys at Rosanna station, and I know council had huge trouble getting those apartments approved simply because people said it will be against urban character, it will turn Banyule into a high-density city and all the rest. I guess my questions are similar to Don's in some ways. If you do not want to expand the UGB — mindful that 2030 did not say not to expand the UGB; 2030 said it would not expand the UGB outside of growth areas — where would the Friends of Banyule then say we should look at in Banyule? I grew up there, and my office is there, but what suburbs do we then identify as three, four or five-storey development opportunities, again bearing in mind that the council has approved many of those development opportunities in Burgundy Street and the reason they have not gone ahead is not because of council's opposition but in fact because of financing concerns? The other one is that you cannot buy a three-bedroom apartment in some of those developments for much less than you could buy a house around the corner, so what then becomes the incentive and what then are the locations to build those places in Banyule to stop the necessity or the requirement to expand the UGB where cheaper housing can be found without greatly reducing population growth numbers in Victoria?

**Mr O'CONNELL** — Again I fully understand what you are saying — that it is an ongoing issue and there are certainly objections to any sort of high rise. I do not think we actually have that objection ourselves. I guess we are the same as most residents and most resident groups; we are more concerned, if you like, about local amenity and neighbourhood character and development. You cannot be against development per se. If you are going to say that, I think that is unrealistic. You have got to be for sensible and appropriate development, and I think there are opportunities along main roads and in activity centres in Banyule, as there are in other areas, for some development at various levels.

As I say, I do not personally believe a 10-storey building would be appropriate, but perhaps four or five would be, depending where they were. For example, there are parts of, say, East Ivanhoe and Eaglemont, as you know, where you are not going to build a five-storey building because the local residents are going to say, 'Come on, this has got neighbourhood character, and we want to protect it', and quite rightly. But there might be other areas of the sort you mentioned opposite Rosanna station. I have to admit architecturally I think they are fairly ordinary, but still the level is not such that it is going to create a major impact on the area.

**Mr GUY** — We are growing at around 90 000 to 92 000 people per annum in Melbourne, so if we close off the UGB from expansion, even if population growth was to decline over a certain period of time, there would then be a requirement on us to say, 'Where are we going to factor in extra residential accommodation, and how can we make it easier and more cost-effective?'. I know, for example, there are other local community groups in Banyule, and some of them brand themselves as conservation groups, that have in the past opposed higher density development,

particularly down towards the Banyule Flats. On one hand they are saying, 'You can't expand the UGB. We've got to have higher density accommodation'. Then of course the council or others come along and say, 'Well, here's an opportunity', and they say, 'No, not here'. What becomes the trade-off if you say, 'We don't want the UGB expanded'? Is the premise that population growth should be stopped?

**Mr O'CONNELL** — That is a very good question, of course. We are not saying population growth should be stopped. I think I just mentioned in my outline of the submission that our view is that it ought to at least be debated — that is, the 1 million extra people in Melbourne over 20 years. Is it a good thing to increase from 4 million to 5 million? There are obviously some downsides on that, in fact quite significant downsides. That does not mean you do not have population growth. You might look at having it in a way that does not impact quite so negatively on Melbourne in terms of its current issues of congestion, which I mentioned and which the federal Treasurer has recognised as a real cost to the community. I think that certainly some population growth or other can be accommodated. We believe, as we say in our submission, that there is land within the existing urban area to do that.

Our view, even though our main concentration is more on, I suppose, the natural environment than the built environment, is that we still have to be aware of both. We would say that so long as it is done sensitively and in consultation with the local community — as opposed to, say, the 10-storey building at Northcote Plaza which was called in, and that really got a lot of residents offside, and they were pretty crook at the planning minister because whatever say they had they could not even take it to VCAT — I do not think there would be an objection from us.

**Mr GUY** — Just again in closing, for the record, it is worth noting that in Melbourne everyone says, 'We've got to go higher. That's fair'. In certain locations there are no problems. But as soon as you go three storeys or over in this city you incur a union job, and it incurs a 30 per cent uplift in costs.

**Mr NARDELLA** — This is where he is going.

**Mr GUY** — Hang on. You two can whinge, but this is fact, okay? You can ask Tony De Domenico here.

**Ms GREEN** — We thought you were sounding too nice. We knew there was a sting.

**Mr GUY** — You can ask all the other guys you like. Once you starting unionising work in Melbourne on three storeys or over, you incur a 30 per cent uplift in cost of production of that accommodation.

**Mr NARDELLA** — Bring back WorkChoices!

**Mr GUY** — Which is why Melbourne on land supply is competitive but on high-rise accommodation is not competitive, which is why you find developers pushing to expand the UGB but not going ahead with a lot of developments in Heidelberg, for example, which could be at a retail cost level up to 20 per cent cheaper. They could be comparable with places like Brisbane and Perth and other major cities, but they do not exist in this city.

**Mr NARDELLA** — Perth?

**Mr GUY** — It shows your knowledge, Mr Nardella, if you do not realise there is a competitive difference.

**Mr NARDELLA** — I have been to Perth; my brother lives in Perth.

**Mr GUY** — It is a competitor market of ours.

**Mr NARDELLA** — As if you know. You have no idea!

**The CHAIR** — Order!

**Mr GUY** — It is a competitor market of ours, and it shows your ignorance if you do not actually realise that.

**Mr NARDELLA** — You put yourself as shadow minister.

**The CHAIR** — Order!

**Mr GUY** — You do not actually realise it is a competitor market, and it is indicative of yourself that you do not actually know that.

I just point out to your organisation that it is fine to present options to densify — and I do not think many people are opposed to it — but we have to go back then and actually look at the costs as to why densification is cost prohibitive in Melbourne.

**Mr O'CONNELL** — Certainly we do, but there is also a building cost and an environmental cost, because once you go above three storeys, as you quite rightly say, you have infrastructure issues in the building itself, such as underground car parks — —

**Mr GUY** — It is a compulsory union job; that is why.

**Mr O'CONNELL** — And lifts — —

**Mr NARDELLA** — That is what stopped Docklands from developing.

**Mr O'CONNELL** — Air-conditioning plants and so forth.

**Mr GUY** — Kennett got them; that is why.

**Mr O'CONNELL** — In fact those buildings may be far less environmentally efficient as you go higher. That is one of the dichotomies as well. So there are issues, as you say: there are workforce issues, there are environmental issues and there are neighbourhood character and planning issues, and it is a real challenge for Melbourne.

**Mr GUY** — That is right, and unfortunately there are union issues which this current government will never, ever confront.

**Mr NARDELLA** — There are not. Otherwise Docklands would never have been built.

**The CHAIR** — Order!

**Mr GUY** — It was built under the Kennett government, buddy. Where were you in the 1990s — under a rock?

**The CHAIR** — Order!

**Mr NARDELLA** — There would not be one building in Docklands. And you want to be a minister — hopeless!

**The CHAIR** — Order!

**Mr GUY** — The terrifying thing is you were a shadow minister.

**Mr NARDELLA** — I was.

**Mr GUY** — Underline 'were'.

**Ms HARTLAND** — Can I make a suggestion? It is getting quite heated, but we are actually here to ask questions of the people presenting rather than having a go at each other.

**Mr GUY** — I did not interject on anyone, thanks, Colleen.

**Mr O'CONNELL** — Mr Chairman, could I indicate just in relation to that, because it really is a core issue that we say we are not opposed to development and what we would promote is sensitive development. These are issues that we as a community just simply have to work our way through. They do face us, and we are going to have to grapple with them in some way. But we say: involve the community in it; bring them along and they will come up with some good ideas, hopefully.

**The CHAIR** — Thank you very much for your presentation. In due course you will get a copy of the transcript to proofread. I remind committee members that you are here for the witnesses to express their views and not to be taking up their time in discussion across the chair.

**Mr O'CONNELL** — I understand this is the rough and tumble of Parliament.

**Witness withdrew.**