

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the sustainability and operational challenges of Victoria's rural and regional councils

Colac — 10 November 2017

Members

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Mr Simon Ramsay — Deputy Chair

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Witness

Mr Peter Fillmore, secretary, Otway Forum.

The CHAIR — Welcome to the Environment, Natural Resources and Regional Development Committee’s public hearing in relation to the inquiry into the sustainability and operational challenges of Victoria’s rural and regional councils. I would like to extend a welcome to members of the public and members of the media if present.

All evidence taken today is protected by parliamentary privilege. Therefore you are protected for what you say here today, but if you go outside and repeat those same things, those comments may not be protected by this privilege.

I would now like to welcome Mr Peter Fillmore, the secretary, I understand, of the Otway Forum. Today’s evidence is being recorded. You will be provided with proof versions of the transcript at the earliest opportunity. Transcripts will ultimately be made public and posted on the committee’s website. I invite you shortly to proceed with a 5-minute opening statement, which will be followed by questions from members of the committee. Can I first, though, have you state your name and role for the record, please,

Mr FILLMORE — Peter Fillmore, secretary of Otway Forum ratepayers lobby group based in Apollo Bay.

The CHAIR — Thanks very much, Peter. Over to you for an opening statement.

Mr FILLMORE — The Otway Forum — just a little bit of background history — has been going for 25 years. It was formed initially in response to a major harbour redevelopment plan in Apollo Bay. Richard might be a little bit familiar with that. I have met Richard before, at the scoreboard at Irrewillipe footy ground. I am familiar with Simon’s history. I do not know you two gentlemen — Labor, I suppose?

The CHAIR — Labor, yes.

Mr FILLMORE — And?

Mr O’SULLIVAN — Nationals.

Mr FILLMORE — I am just going to give you a fairly off-the-cuff presentation here today, but I have got some homework for you, and this has apparently been sent to you in a digital form. It is the story of an eight-year-long process that ended up with no result but hundreds and thousands of dollars of wasted ratepayers, taxpayers, money for something that should have never passed go in the first place. It is the textbook. It should be in every local council; every state politician should read it. We have got a similar thing going on in Apollo Bay right now with another major development, which probably should not have passed go and could go on.

The CHAIR — For the record, can I get you to state the name of the text?

Mr FILLMORE — That is called *Great Ocean Gulf: the Story of a Strategic Planning Fiasco*, by John Spencer. He was a retired academic, an engineer, that lived in Apollo Bay. Unfortunately he is no longer with us. This eight to 10-year-long process took a heavy, heavy toll on him, and he died not long after. I will talk a little about that, about strategic planning.

Otway Forum has also done a presentation to the local council. As you are aware, they are having a bit of a ratings inquiry themselves. I am not going to go through this bit by bit. It is very straightforward. There are dot points along the side if you do not want to read the whole lot, but I am sure you will because it is only about six pages. It comes from an Apollo Bay standpoint.

Apollo Bay, as you know, is a small coastal town on the other side of the Great Otway National Park. Colac Otway shire, as you know, is a reasonable-sized shire, but I think over half of it is a national park. So that presents a lot of challenges for the local government in that they do not get any rates from it, but yet there are roads all around it and through it, and all sorts of other things. So even though it looks like a fairly large area, it is basically rural properties as well as a small coastal tourist-based town, which is completely opposite to the other side of the region, where probably 90 per cent of the population live up here. We have got our own unique challenges down at Apollo Bay. This document on the rates will pretty clearly show you what the differences are and how that affects the rating strategy in Colac Otway shire.

This book will also show you how planning decisions made here and at state government level quite often are in complete conflict to the aspirations of the people that live in Apollo Bay. Unfortunately we are a small

population down here; it has not grown much over the years. But I will point out that the Apollo Bay region and the Great Ocean Road is in the top half a dozen tourist destinations in Australia. It is unique. Unfortunately at the moment it is getting a bit loved to death. The infrastructure is not keeping up with the tourists that are coming through, and that is an issue that needs to be addressed.

I will just quickly address the six points of the terms of reference, and then I will pretty much open it up to you guys so you can ask some questions if you like. The first one is 'local government funding and budgetary pressures'. I have just mentioned that, and I am addressing this from Apollo Bay's point of view, being part of Colac Otway shire. As we know, as Richard knows and Simon knows, Colac Otway shire is in the electorate of — is it still called Polwarth?

Mr RIORDAN — Polwarth and Corangamite.

Mr FILLMORE — Yes. It is an extremely safe Liberal seat — a very, very safe Liberal seat. I think at the last election — I am not even sure if Labor ran a candidate. It's got its unique personality about that, I suppose you would say. Otway Forum has been going for 25 years. As different members that happened to be members of Otway Forum have stood for election, they have been scrutineers at every single election ever since, state and federal — just scrutineers in Apollo Bay; sometimes they are scrutineers for the local council et cetera. So we know how people vote in Apollo Bay and in Colac Otway shire up around Colac.

I will state the facts that at the last federal election the Apollo Bay booth was evenly split three ways: Liberal, Labor, Greens. Of course, the Greens second preference, 90 per cent of that went back to Labor, whereas up here in Colac — and Richard could probably tell me the exact figures there — it is something like 70 to 80 per cent Liberal-Nationals, with very little Greens or Labor support as well. It makes it a very safe seat, so safe in fact that when Jeff Kennett was turfed out, there was actually a 1 per cent swing towards the Liberal Party with the colourful previous member, Ian Smith. I am just pointing out that there is a different mindset down on the coast. Because it is such a safe seat on a state level — I will get to federal in a minute — it is a different mindset. So we feel a little bit that we are not really represented as well as what we could be down here, but that is just the nature of it. Only 1200 to 1400 people live in Apollo Bay.

On a federal level, it is a bit different. We have got Sarah Henderson as our member. It is a very marginal seat, one of the most marginal seats in Australia, which is great for us. It means that they will come down here and make promises about this, that and the other. Unfortunately, it is looking like it is going to probably be rezoned and end up a very safe Liberal-Nationals seat. I may be wrong.

The CHAIR — I will stop you there and draw you back to our terms of reference and the opening statement.

Mr FILLMORE — I am just setting the scene, basically, that that is why funding is an issue, getting it from state and federal, and I will get onto funding on a shire level as well.

I will go to the next point — you can make what you want of those last few statements that I have just made — 'fairness, equity and adequacy of rating systems'. All the details are in this document that I have just given you, the Otway Forum submission to Colac Otway shire. It is only six pages; it is not that detailed. It is very simple to understand. I am not going to go through it all now. You guys can sort that out. Point (c): 'impact of rate capping policies'. Rate capping is fine by me, but the problem is rates should be spent only on projects the community supports, rather than endless consultancies that probably 90 per cent of the time go nowhere. We have seen gross wastage.

For instance, the harbour development that has been proposed for the last 25 years — hundreds of thousands, probably millions, of dollars have been spent trying to progress that. Every time that bureaucrats and councillors say, 'You should do this, you should do that', the local people say, 'No, that's not what we want. We've been telling you for 25 years what we want. We want a small-scale redevelopment, and we want to keep the golf course'. Fantastically, Terry Mulder, when he was in cabinet, managed to get the golf course another 20-year lease. Fantastic — that is what the community wanted. Congratulations, Terry.

I would just like to see the rates spent on projects the community actually support. It is very easy to find out the community opinion; there are only 1200 people there. And you are not going to get everybody to agree on every detail all the time, so now that is the challenge.

The next point:

- (d) capacity for rural and regional councils to meet responsibilities for flood planning and preparation, and maintenance of flood mitigation infrastructure.

That is the textbook right there — eight to 10 years of drama that eventually ended up on the minister's desk. After eight to 10 years Justin Madden, who happened to be the minister at the time, came down, had one look and said, 'You are joking; you mean to tell me we have wasted eight to 10 years on a proposal to build 500 houses and a golf course on a flood plain that is barely above sea level'. Interestingly, Justin was not a career politician, just a bloke with a lot of common sense. He was not in the sway of lobbyists and all the rest of it. He came down and said, 'You are joking, we are not doing this'. That was extremely frustrating for the community, a waste of ratepayers and taxpayers money. So I urge you to read this and take it all in — absolutely brilliant. I read it in 3 hours. It is not that hard, very well written.

Next:

- (e) maintenance of local road and bridge networks.

As I said earlier, half the shire is a national park, so we do not get rates of it. We get a little bit of funding. National parks funding has been weakened dramatically over the last few years, so they are struggling just to manage what they have got. An absolutely fantastic thing that they did do, they built the Great Ocean Walk, but they hardly promote it. I do a bit of work shuttling people around on it. It could be as famous as the Milford track or the Overland track in Tasmania. That is the future down there. That is what will make our coastline unique, not some Chinese investment in a giant hotel that nobody wants, which is the current proposal that once again Colac Otway shire is having to deal with. It could end up dragging on for years, like this did, and has very little support in the community — just because some developer has got some brilliant idea that he thinks might work.

So that is the only point I would like to make about that. It is difficult in Colac Otway shire having a large national park in the area that does not really contribute to the rating base, and it could be an advantage. It is unique. Like I said earlier, the Great Ocean Road region is in the top six tourist destinations in Victoria, but it is neglected.

Next:

- (f) weed and pest animal control.

Well, that is just bleedingly obvious. We need to spend a hell of a lot more money on that. Not enough is done. Unfortunately there are national parks, there are Crown lands. Along the Great Ocean Road is the massive problem — weeds everywhere if you know where to look. I am in the nursery industry, and every day I drive up and down there and I just see weeds out of control. A small bit of work is done by the shire. A tiny little bit is done by the foreshore committees, because they are underfunded as well. And there are half a dozen different bodies in control of the Great Ocean Road area — VicRoads, Barwon Water have got infrastructure there, and this, that and the other — and it has become a nightmare to get anything done. I know that we are talking about getting an overarching body to look after the Great Ocean Road region, but a lot of people just see that as more bureaucracy, so we will wait and see how that turns out. That is probably about as far as I can go.

The CHAIR — Thanks very much.

Mr FILLMORE — I actually could go for hours if you would like.

The CHAIR — Unfortunately time does not permit, and I want to give each committee member the opportunity to ask questions. I just have the one question. It relates to tourism, and you spoke about the increase and influx in the number of visitors that come down over the holidays. I have been down a couple of times for the Great Ocean Road marathon. You see the shops full, you see people buying coffees and all the hotels are booked out. It is terrific for the area, but the drawback — and you alluded to it in your opening statement and it was alluded to this morning by the local municipalities — is the pressure that is placed on local services and how you actually recover some of that money, if you can recover the money. I think the example given by the member for Polwarth was around parking and the cost of parking in the CBD versus the cost of parking here, and I think it is a reasonable point. I just wanted your thoughts around what could be done in that space to

recover some of that money from what is a fantastic tourism industry. Is that maximised enough, and what could be done further to enhance it?

Mr FILLMORE — Yes, that is a point that goes around regularly. I do a little bit of shuttling for walkers on the Great Ocean Walk where you drop them off here and there, pick them up and take them to B & Bs each night, and they work their way down, or they can camp all the way if they want to. I see the condition of the road every day I go out there driving, and the biggest change — I have lived in Apollo Bay for 40 years — is the big bus traffic, the really big buses. That has just built up, and they are package tours. They are probably at Ayres Rock tomorrow. They were probably at the penguins the night before. The tourism bodies in the region have got this dream that they are all going to stay for a week on the Great Ocean Road. They are package tourists. There are more and more people coming in smaller vehicles. Chinese and all sorts are even coming in Maui vans or even coming in Wicked vans, believe it or not, so that is slowly building — it is great — but the big buses are the issue. They are wrecking the road.

You can see it because they come along the ocean road during the day, they stop in Apollo Bay for lunch — which is great for the lunchtime traffic but does not do anything for the accommodation people — then they drive to Port Campbell and then they go back inland to come home. So that side of the road, the road on the way down, you can see is like train tracks. It is all clay. The Otways are clay subsoil. It expands in winter when it is wet and dries out in summer, so it is constantly moving. You can actually see it. The other side of the road coming back is way better, so it is obviously the big buses and just the increased general traffic, because that is what most people do. They do a day trip down, head back inland and are back in Melbourne that night. So yes, there is —

The CHAIR — Sorry, I will stop you there. So that is the problem.

Mr FILLMORE — Yes, I am coming to the solution.

The CHAIR — What is the solution?

Mr FILLMORE — Well, it has been talked about. Maybe those big buses should be banned. Maybe they all should come in minibuses. That would be so simple. Then they stay for a week and they do the Great Ocean Walk, because it is properly promoted. We actually saw a group of 20 backpackers on the Great Ocean Walk — our first sighting of Chinese tourists out there — so they are interested in doing it if it is promoted to them.

Or it get backs to: do we have a toll on the Great Ocean Road, particularly for those big tour groups which are making a killing? They are killing our road, and it is dangerous. The Great Ocean Road was not built for that amount of traffic, that size of traffic, so maybe they should pay a price. I know they have the same problem around at Bells Beach, so they have had to licence that only X amount of buses can come of a certain size and they can only stay for a short time, because they all pile out straight into the toilets, dropping their cigarette butts everywhere, and the local surfers and people cannot get a car park at a certain period of the day between about 10 and 11. There is that option.

Mr RIORDAN — The question I have is one you have addressed in your presentation a little bit, but I get the sense that it is a growing problem along the Great Ocean Road area, and that is the change we are seeing with Airbnb.

Mr FILLMORE — Yes, that is an issue.

Mr RIORDAN — And those other things. The feedback I am hearing is that some of our traditional accommodation providers are finding, even though all the statistics tell us generally that tourism is going along quite well and there are visitors down there, that the traditional industry of you going to a town and booking into a motel or the known accommodation providers is changing. An interesting problem we have in our coastal communities is it is affecting our existing businesses — that is one problem — but the other problem that you have identified too, which is an interesting one, is that our coastal communities only have a limited amount of space to keep people, and we are now finding that there is very little long-term accommodation or affordable housing.

Mr FILLMORE — For workers in the industry.

Mr RIORDAN — Yes, for people that we need to live and operate in our communities. So we have a situation where we have got a percentage of houses with absentee landowners who may only come once or twice a year, and then others that were traditionally available for people to live in and work out of are disappearing too. So just your thoughts on what that means for making country towns sustainable and viable in high tourist areas.

Mr FILLMORE — The problem you are talking about there, I presume, is that you set up all these tourism resorts and things like that, but you have got to staff them and that sort of thing. There is a lack of accommodation. Apollo Bay has been growing at roughly 20 houses a year for the last 10 to 15 years, and that is what the infrastructure has been planned out for. But they are all holiday houses, and people, like you say, only come down on weekends to use them, or quite often they rent them short-term to get a bit of money back to help pay the rates or whatever. So there is very little accommodation, particularly for young families or young people. Traditionally, and even more so now, the backpackers that come through work for three or four months over the busy periods and fill those gaps and live in their cars or the youth hostel or something like that, and then they move on. And that is okay. There are issues around that, I suppose, as well, but there is certainly a shortage of accommodation for lower-income people and young families.

This resort proposal at the moment, the developer has said, ‘We will maybe provide beds for 30 or so people’, but they are talking about having 175 staff, so there is a bit of a shortfall there. A few years ago the council allowed a very small — not subdivision — apartment building for lower-income people. That was what was planned for at the back of Apollo Bay. They were immediately snapped up by people for holiday homes because they were cheap and small. They just got snapped up. The locals, particularly the young people, just wanted to rent them or possibly pay them off. It did not happen.

Mr RIORDAN — You said you have been in Apollo Bay for 40 years. Knowing what you know now and if you were yourself again 40 years ago, would Apollo Bay be a spot you could have moved to?

Mr FILLMORE — No, things have changed, I suppose. I work in the fishing industry. It was booming in those times in the early days. But the school is growing. People are coming. People are moving.

Mr RIORDAN — But could you afford to move there like you did 40 years ago?

Mr FILLMORE — If I could find a house to rent, I would. I rented a house for four or five years until I bought a block of land and gradually built up on it. So it is doable. I know people that are doing that. Once again, there are no really big-paying jobs. The real estate is expensive, because it is such a beautiful area, so you and your partner have to have pretty good jobs to pay off a very large mortgage. It is doable. People are doing it.

Mr RAMSAY — Thank you, Pete. You touched on a number of things. One is that you feel a bit unloved down at Apollo Bay due to certainly not the member for Polwarth but the fact that, yes, federally it is a marginal seat and Polwarth is by its nature a reasonably conservative seat. But that aside, you have councillors representing that particular area. I have just come back from New Zealand, and I did the Milford Sound walk myself. They do tourism very well in New Zealand, and there are great opportunities for the Great Otway National Park to encourage more tourism. I am hoping that they are exploring opportunities there. In your submission you talked about potentially a differential for the coastal part of the shire and also increasing the municipal charge to try to overcome some of the inequities. I am not sure with Colac Otway, are they at the full 20 per cent rate of municipal charge? I do not know how much flexibility they have there.

Mr FILLMORE — We do have a differential on the coast, but that is under threat.

Mr RAMSAY — Is it?

Mr FILLMORE — Yes.

Mr RAMSAY — Right. And the municipal charge, can you remember how much it is?

Mr FILLMORE — I could not give you the exact details on it. That document will tell you a bit more. I did not write that document. One of our members wrote it.

Mr RAMSAY — What else is there that the council can do to increase revenue apart from tolling buses or making better use of the natural assets like the Great Otway National Park?

Mr FILLMORE — I will go back to my point. I think it is great having rate capping. We are not a super wealthy area down there. We are probably just middle income, the majority of people there. I just think the rates should be spent a lot better. We have had so many consultancies on it. You name it, we have had them. Ninety per cent of them just go nowhere, and then they get reviewed every five years. All the previous advice from the community is ignored, and they start all over again. There is a little bit in this book about how it just goes around and around in about a five-year cycle. I do not know. I would just like to see it spent a lot better. And Apollo Bay is not represented locally. We have got Stephen Hart, who is over at Lavers Hill, who is very good and who comes to all our meetings but travels far and wide around the shire attending every possible thing. Chris Potter, who was here before, who was the mayor for the last year, has been fantastic. He has got a holiday house there, and he will probably retire there. We actually have not got a member, because we have only got a very small voting base there. It is not a riding-based system anymore, so we have not got a local representative.

Mr RAMSAY — You had Frank Buchanan there for a number of years.

Mr FILLMORE — Yes, but he was not a local. He is from Colac.

Mr RAMSAY — I thought he lived down there.

Mr FILLMORE — He lived there, that is right.

The CHAIR — Thank you very much for your time and for presenting to the committee. We greatly appreciate it.

Mr FILLMORE — Thank you.

Witness withdrew.