



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**STANDING COMMITTEE ON PLANNING, PUBLIC WORKS AND
TERRITORY AND MUNICIPAL SERVICES**

(Reference: [Draft variation to the territory plan
No 307 Griffith—change of zoning](#))

Members:

**MS M PORTER (The Chair)
MS C LE COUTEUR (The Deputy Chair)
MR A COE**

TRANSCRIPT OF EVIDENCE

CANBERRA

FRIDAY 28 OCTOBER 2011

**Secretary to the committee:
Ms V Strkalj (Ph: 6205 0435)**

By authority of the Legislative Assembly for the Australian Capital Territory

Submissions, answers to questions on notice and other documents, including requests for clarification of the transcript of evidence, relevant to this inquiry that have been authorised for publication by the committee may be obtained from the Legislative Assembly website.

WITNESSES

ADAMS, MR TONY, Senior Director, Town Planning, CB Richard Ellis Pty Ltd **1**

FAGAN, MR ANDREW, Chief Executive Officer, Brumbies Rugby Club **1**

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Amended 9 August 2011

The committee met at 10.11 am.

ADAMS, MR TONY, Senior Director, Town Planning, CB Richard Ellis Pty Ltd
FAGAN, MR ANDREW, Chief Executive Officer, Brumbies Rugby Club

THE CHAIR: Welcome to this public hearing of the Standing Committee on Planning, Public Works and Territory and Municipal Services. Today is the first hearing of our inquiry into proposed draft variation to the territory plan 307—change of zoning. This inquiry concerns a proposal by the Brumbies Rugby Club, more formally known as Australian Capital Territory and Southern New South Wales Rugby Union Ltd, to change the zoning to section 42 block 15 in Griffith from commercial CZ6, leisure and accommodation zone, to RZ4, medium density residential zone, and a consequential amendment to part C(5), multi-unit housing development code. This is the first of the hearings and we will be having additional hearings after this. We will be keen to hear from people who are interested in this inquiry. Have you had an opportunity to read the blue privilege card that is in front of you?

Mr Adams: I have read it, thank you, in the past. I assume it is the same one.

THE CHAIR: It is slightly amended from time to time, but basically it says the same thing. Do you understand the privilege implications of the statement?

Mr Adams: I do, yes.

Mr Fagan: Yes.

THE CHAIR: Do you have an opening statement that you would like to make?

Mr Fagan: Yes. I apologise for my voice.

THE CHAIR: Your voice?

Mr Fagan: My voice, yes. I have just had the flu, so I apologise if at some point I either cough or if you need me to restate something.

THE CHAIR: I am sure members will ask if they do not understand what you are saying.

Mr Fagan: We welcome the opportunity for this hearing. We are very pleased to be able to present the information to you formally and to be here to answer any questions that you might have for us. As you would expect, we are here to speak in support of the proposal to vary the territory plan on the site in question, as you have already outlined. Obviously it has already been submitted to ACTPLA and it has been through a thorough assessment process with ACTPLA prior to being given interim effect and being referred to the minister and ultimately to this committee. So we welcome the opportunity to be here.

In preparing the planning report, we were conscious at all times of ensuring that we were consultative in our approach, and that is detailed within the report. Obviously the

matter has received a significant public airing, as well as having received further consultation through the ACTPLA submission process and ultimately through this planning committee's submission process.

The territory plan provides for a range of residential densities under different zones. The decision to propose that block 15 be rezoned from its current commercial zoning to RZ4, a medium density zone, was taken following analysis of the objectives of the various zones and the extent to which the site, given its location and the other characteristics, could best meet those objectives. That is all detailed within the planning report.

The only other point that I would probably make in terms of an opening statement is just to clarify, because it gets confused at certain times, that the Brumbies are a community organisation. So we trade as the Brumbies, but, as you correctly stated, it is the ACT and Southern New South Wales Rugby Union. We are owned by our member clubs and rugby associations. Because of our size and profile, and probably due to the significant economic benefit we provide to the Canberra community, it is sometimes forgotten that we are not a privately owned business or supported by leagues clubs or the like; we are a member-based association. So we manage the Brumbies team, obviously a high profile professional team playing in an international competition, but we also exist to further the development of rugby in this region. In doing so, we run programs and competitions for in excess of 15,000 people each year—men, women and children.

We believe we have submitted a proposal to benefit not only our membership and community base but also the general community. It is consistent with public policy and we commend it to the committee.

THE CHAIR: Thank you, Mr Fagan. Do you want to add anything?

Mr Adams: No thank you, Ms Porter.

THE CHAIR: You quoted a figure for the young people or adults involved in the wider work that you do. Could you repeat that figure?

Mr Fagan: We run programs, competitions and activities for in excess of 15,000 men, women and children in any given year. I think that in the last 12 months it was in excess of 24,000.

THE CHAIR: Thank you very much. We will go to questions. Do you have a question, Ms Le Couteur?

MS LE COUTEUR: I have a few questions, Madam Chair. The Brumbies' most recent proposal was in fact for a hotel on the site. What is your view as to the best or preferred use of this site, given that you have been involved in these two proposals and the most recent is the hotel?

Mr Adams: I am providing town planning advice to Brumbies Rugby on this matter. Our analysis over some time has indicated that, when you look across the board at all of the objectives, which are the objectives of the Brumbies, the likely objectives of the

local community, the public policy issues that are at stake, the territory plan, the spatial plan and other planning instruments, residential development is the best use for this site, and that is what has been moving forward.

Earlier this year, a development application was lodged under what was the zoning at that time to vary the lease to allow a hotel. That was, if you like, a strategic application to husband the asset that the Brumbies had. In the possible expectation that the residential proposal might not go anywhere, the Brumbies needed to look at what they could do under the existing zoning. One of the options under the existing zoning would be a hotel.

There were some substantial changes to the Planning and Development Act that came into force at the end of June this year, which changed the change of use charge regime quite substantially. At the time, and prior to that change actually being implemented under the legislation, the government had not published the details of what the new change of use charge regime was going to be. No-one actually knew what the new regime was, whether it would cost more or less or what was going to happen. So it was considered judicious for the Brumbies' management of their asset that they should put in an application for the best use under the current zoning, which is probably a hotel. So that was put in.

At that time the plan variation was with the planning authority and was being assessed. Subsequently, the planning authority got to the position where they had progressed the variation process to the point where they had endorsed it and it went to the minister and it had interim effect. That meant that a hotel could no longer be approved. On the one hand we lost the option for a hotel but on the other hand we had taken a substantial step forward in terms of a residential proposal. So it was in abeyance, or I suppose it has gone away now, in favour of the residential proposal.

THE CHAIR: My understanding of the interim effect is that it only has interim effect for a year. If the Assembly is minded to disallow this variation—and I have no idea whether it would or would not—in that case is that where you would be going?

Mr Adams: That is correct. The current draft variation has interim effect for a year, pending it being approved by the Assembly, or not disallowed. If that does not occur then the interim effect ceases to exist and the property then reverts to the conditions under its current zoning, which is CZ6 commercial recreation and leisure. A range of uses are possible under that zoning, one of which is hotel, club or whatever. The Brumbies would then have to look at whatever opportunities they could do under that zoning. Doing nothing on the site, as it is, is not an option for them, I understand. I would say that that application, the hotel one, would probably be considered to have expired; I am not sure. They could put in another one. That would be back to the rules as they were before.

THE CHAIR: Is it the intention of the Brumbies to maintain the current functions that you have at the site, along with this development that you are suggesting—your headquarters? What is your intention around all of that?

Mr Fagan: It is most likely that we would not maintain our operations on the site. With the facilities that we need in order to operate, it involves more than a lick of

paint. It involves a significant upgrade of our existing facilities in order for us to maintain our competitiveness. In a comparative and competitive sense, we are well short of the mark, not just in terms of the Brumbies' professional team operations but also in terms of our ability to continue to operate our community programs that I referred to earlier. So that is a significant upgrade and I cannot see that it is commercially possible to actually do that and remain on the site.

Furthermore, whether it is residential development, which is obviously what is proposed here, or, indeed, an upscaling of the commercial development, as we have just referred to, it is actually inappropriate—certainly less than ideal—to have an operation that includes both elite footballers and community programs, from young children onwards, operating out of a residential or a commercial facility. It does not make great sense for us to be there. So that is not the proposal as we would currently see it.

THE CHAIR: Where would you propose to conduct those—

Mr Fagan: That has not been determined. We have, over some time now, assessed a number of options. That process is ongoing. To much of an extent it obviously depends on the outcome of this process, primarily from a financial perspective. We also need to ensure that we can seek the ideal site. So we are looking at a number. Those discussions are ongoing but nothing has been resolved.

MR COE: Can you take us through the process to date? There was talk of developing both the oval site and block 15. Would you be able to talk through the genesis of this whole project?

Mr Adams: I might be able to explain the steps that we have taken. The Brumbies currently have their headquarters in the old club building—headquarters, gymnasium, training facilities—and they have a short-term licence over the adjacent oval, which obviously is an important part of their training facility. The location suits them fairly well and all of that was working okay, except that the oval was problematic because without security of tenure they were not able to invest in it to the extent that they would like. They have elite footballers. They need a higher level of management of the oval and that is what they were seeking. They also needed the capacity to maximise the actual asset that they have got and to get some return on it to fund some improvements.

The proposal that was put up some time ago was that a new headquarters and training facility would be constructed on the oval site and the oval would be upgraded. That was going to be on the basis that the Brumbies would sublease the oval site from the department of sport and rec. It is important that they were subleasing it and not getting a free and clear 99-year lease, if you like. Under that arrangement it could only ever be the Brumbies. If it was not the Brumbies then sport and rec would have the oval back and give it to some other sporting organisation. So it was not a saleable asset, as far as the Brumbies were concerned, but they were accepting that because all they wanted to do was be the Brumbies.

The club site was to be redeveloped for residential. That got a fair degree of public airing and it was decided that the redevelopment of the oval was not an option. So that

is off the table. The Brumbies are left with block 15, which is the old bowling club building, in which they have their headquarters, and a sort of year by year or relatively short-term licence arrangement over the oval. The use of the oval is suboptimal because it is a public oval. They do not have control over it and, importantly, they do not have security of tenure. If they were to sublease it, they would have got a 99-year sublease, whereas at the moment it is a short-term licence.

Investing in the future is problematic because they do not have security of the oval and utilising the existing building is not an option. It is not suitable for the A-league football arrangements that are now in place. It might have been 15 years ago when they first got there, but Rugby has moved on and moved up to a much higher level.

With the oval being off the table, we came forward with a proposal to vary the plan, only for the bowling club site, which is block 15, to residential only. That means that the Brumbies would leave the site when it was redeveloped and go to a facility elsewhere where they could have a training and management facility allied with an oval that they have security of tenure over, somewhere else in Canberra.

MR COE: So, in effect, something similar to what the Raiders have in Bruce?

Mr Fagan: Yes, it is similar, where they have a purpose-built, stand-alone facility that enables them to run their operations.

MR COE: When was the concessional lease granted that you are currently working under?

Mr Fagan: Originally? That is a good question.

Mr Adams: The original lease—I am sorry, I do not know the exact year, but it was in the 1950s—was granted to two or three individuals, one of them being one of the Cusacks, Stan Cusack, and a few others who just wanted to start a bowling club. The lease went through a number of permutations, and it is very difficult to actually calculate and discern exactly how it travelled. The planning authority has determined not that it is concessional, but that it is partially concessional, because a substantial concessional amount was paid out some years ago.

The planning authority, in looking at it again, has determined that what was paid out was insufficient to pay out the total concession because the land, as it now stands, is a combination of several different pieces. Apparently what was paid out then, when everybody, including the government, thought that the concession was being paid out, did not pay out for the other little bit of land. Under the legislation a lease that is partly concessional, which this one is, is deemed to be a concessional lease. So the process at the moment is to de-concessionalise the lease, but in fact it is to pay the balance of the de-concession amount that has been paid some years ago.

MS LE COUTEUR: Have you any idea what that balance is?

Mr Adams: No. We await the planning authority's determination. They will tell us.

Mr Fagan: It is worth noting that at the beginning of this process, in fact, we

sought—and as part of our acquisition of the site in the first instance we sought—clarity from ACTPLA with regard to the concessional nature of the site. We did receive advice that in fact the concession had been paid out and removed by virtue of the acquisition process that we went through. It was only as we went to document materials in support of this proposal that that advice was varied. As Tony said, they picked up, through what was quite a complex and convoluted process over many years, that a part of the site still remained concessional. That is the process that we are currently going through, just to seek—

Mr Adams: Rather than challenge that, it was easier to accept the planning authority view that it was partially concessional, apply to have it de-concessionalised and pay whatever is necessary.

Mr Fagan: Yes. The view was not to challenge it but just to remedy what I think we believed was sort of a remedy to an administrative issue really.

Mr Adams: We had legal advice that it was not a concessional lease.

THE CHAIR: It sounds a bit confusing to anyone who does not understand any of this at all. Is there any other way that you can explain what, in your mind, a partial concession means? Does it mean that, in terms of this particular block—

Mr Adams: Unfortunately, no. It means that of the total parcel—I will put this another way. The land at the moment is a single parcel of land. It was previously, for argument's sake, two parcels, a large one and a small one. One of those was a rental lease and one had been granted for free, or whatever—I am not sure—

MS LE COUTEUR: Concessional, anyway.

Mr Adams: When the application was made and the de-concession was paid out, I think 10 years ago or 15 years ago, the calculation was only made on the larger parcel. They forgot about the smaller parcel. The amount to be paid out was calculated on the larger parcel. That was paid. Everybody thought that that was it. In re-looking at it—and don't quote me on this because the details are slightly different or more complicated—they discovered that the smaller parcel, or the other parcel, had not been taken into account when the previous calculation was made. That is what is now happening. It is not as if the bottom left-hand corner of the site is concessional and the rest is not. It is that some nebulous part of the whole—insufficient money was paid at the time to fully de-concessionalise it.

Mr Fagan: However, to try and provide some degree of simple clarity, the important point is that that says that we are talking about the smaller part of the site. It is the minority of the site, not the majority of the site. The majority of the site has been de-concessionalised.

Mr Adams: Or the majority of the ownership, if you like.

Mr Fagan: Yes, the majority of the ownership of the nebulous part.

Mr Adams: As a consequence, the payout amount is not likely to be great, because it

is a residual amount. But we do not know what it is.

THE CHAIR: If we need further clarification on this, we might—

Mr Fagan: Happy to provide that to you.

THE CHAIR: We might get back to you.

Mr Adams: It is also worth saying that regardless of the plan variation process, and regardless of any other consideration, the application to de-concessionalise the lease is travelling its path and is quite independent of anything else. If none of this was happening the Brumbies would still be seeking to regularise their ownership by paying out the concession. They would be doing that anyway, or I would be advising them that they should be doing that, as we do to other organisations who have concessional leases. You decide whether or not to do it. With this one in particular, where it has a slightly confused background and it is partially concessional, we really should be cleaning it up. That is quite independent of any consideration to do with the plan variation. A number of people commented on the de-concession process because, being a DA, it has to be advertised. A number of the public comments that came in on that were all about the plan variation—what is wrong with the plan variation; therefore you should not proceed with de-concession. But they are really quite unrelated.

Mr Fagan: In fact, just to re-emphasise that point, that is why we did seek a position from ACTPLA initially. The initial position was that it was de-concessionalised as the entire site, in their initial interpretation of what is a complex matter. That was prior to this process—the development of this planning report. It was only subsequent to that, as we were finalising detail in this, that we sought to have that documented in a fashion that could be included in the report. In that case, it was clarified that there was still an outstanding amount that needed to be calculated and paid. So we would be doing that independent of this process.

THE CHAIR: Thanks for that. This might be a good time to ask about the history of you acquiring this particular block, section 42 block 15, and also what undertakings you or the club might have made at the time about the ongoing provision for sporting facilities or what other kinds of things you might have said you might do on that site. For instance, did you say that you would run some other kind of business, maybe a restaurant or something, at that site at that particular time, going back through the history of it? Could you give us a brief potted history of what happened?

Mr Fagan: I can give you, to the fullest of my understanding, a little, quick history lesson. It would have been in 1998 that we moved onto the site through the provision of an amount of money to the Canberra South Bowling and Recreation Club, who were financially struggling at the time. As part of their acceptance of those funds, they developed one of the buildings on the site to house us. Then we continued to operate as both organisations on the site through until 2007, when the Canberra South Bowling and Recreation Club ultimately went into voluntary administration. Through that process, the ACT Rugby Union acquired—purchased—the site from the Canberra South Bowling and Recreation Club. To my knowledge, there were no undertakings to provide any type of facility as part of that purchase; it was a straight purchase.

There was an undertaking to provide to the Canberra South Bowling and Recreation Club or, in the event that they no longer existed, to the ACT bowls association, an amount of money should the site be developed in the future. That agreement exists and would be fulfilled in the event that we did develop the site in any way. That is trying to encapsulate 10 years of history into 50 seconds, but that is essentially it.

THE CHAIR: Thank you.

MR COE: With that in mind, the consultation that you have done as a proponent, primarily in 2009, I understand—that was done when the thinking was that you were going to develop both the oval and block 15? Is that correct?

Mr Fagan: Yes.

Mr Adams: Yes.

MR COE: Has there been any substantial consultation done since then by you as a proponent whereby the proposal would be just redeveloping block 15?

Mr Fagan: No additional—

Mr Adams: The club is always open to talk to anybody who wishes. The original proposal was downsized to what we now have. We then proceeded to formalise that as a draft plan variation. That has been publicly notified. That has attracted, obviously, a lot of commentary. It had a wide public airing. That is continuing with hearings like this—your process—and will continue through the Assembly process. I believe that we are now in a situation where anybody who wishes to be aware of this either is already aware of it or is readily able to become aware of it. The Brumbies club is there and it is open for business every day. Anyone who wants can go and visit and ask questions of Andrew or whatever. Also, when and if the plan variation is finalised, there is a new process of development application for any development of the site, which would be publicly notified. We would be subject to all of the usual approval—notification approval and appeal processes.

Mr Fagan: I think it is fair to say that we do not arrive here without this matter being well known amongst those that might have a perspective or an opinion. I have had two or three meetings with representatives of the Griffith and Narrabundah residents association, some of whom are here today. As I said, there has been significant public scrutiny of the matter, probably given our profile. Certainly there have been two thorough public consultation processes that have been held, firstly by ACTPLA and then through this committee. Then obviously, as Tony said, there will be a further process that will continue through a DA process. It is worth noting, Mr Coe, just for clarity, that the original process to the new process essentially just removes one component piece.

Mr Adams: In fact, it removed what—

Mr Fagan: It removed what was the overwhelmingly controversial public piece, but it did not change what was proposed for block 15.

MR COE: That is what I am getting at. Because that was, as you said, the most controversial aspect of the development—because block 15 was in effect dwarfed by the enormity of the oval being redeveloped—does it mean that block 15 was not scrutinised to the same extent as the oval?

Mr Adams: There was substantial comment in the first round about the residential component. There was a clear understanding; the concept plans clearly indicated what was to happen. I think that there was a pretty clear understanding and a fair bit of commentary on the residential as well as the oval proposal. The oval was probably considered to be more significant, but I do not think anybody was—it would have been quite hard to have not understood the residential proposal as well.

MR COE: How has the feedback or consultation you have received changed or impacted how we have got to here?

Mr Fagan: Sorry, how has the—

MR COE: How has the feedback or consultation that has been conducted impacted the plans on the table today? How has that consultation actually been taken on board?

Mr Adams: It has obviously reduced the scale by taking the oval component out. The residential component—most of the commentary on the residential was a preference to do nothing or not do residential at all. I do not think there was too much commentary about the nature of the residential because that is unknown and that would be subject to—well, it is unknown in its detail—a future development application and the process there. There was an understanding that were there to be residential development, it would be under RZ4 with an 80 per cent plot ratio and three storeys high.

The commentary was not so much “less residential”, but “no residential”. That really was not an option. So there has not been much change to what is considered there. I am noting also that the RZ4 residential zoning proposal, we believe, is the right zoning but it is also the planning authority’s view that it is the correct zoning, or it would be an appropriate zoning for the site.

THE CHAIR: I want to go to Ms Le Couteur now but I have a quick question on the back of Mr Coe’s question. Is this information about where you were going and where you are going now on your website, Facebook or on one of the other sites? Can people who prefer that kind of communication tool find out what is going on with the Brumbies instead of coming into the club to talk to someone?

Mr Fagan: In terms of the current submission?

THE CHAIR: Yes.

Mr Fagan: We do not have anything on any media communication platforms around where we are going because that is unresolved. It is just an ongoing process for us. Obviously, it is not particularly subject to this. It is a by-product of this process. We have had on our website over the course of the last couple of years at several points in time the planning report, the concept plans, contact details and the like. So, yes, it was

not a case of just having a couple of public hearings and then not talking again. As I said, it was on our communication platforms.

MS LE COUTEUR: Earlier you were saying that you thought there would be issues with having residential on one part of the original site and continuing to have sport on the other side of the site. What would you envisage would happen to the rest of the site, because clearly they are ovals?

Mr Adams: It will remain as an oval—

MS LE COUTEUR: I was surprised that you said at one stage that you thought the community's—I appreciate that you desire to leave the site but you were thinking the community's thought was incompatible. But on the other hand, your original proposal had sport—all you have done, as I understand it, is effectively remove the sporting component from the first proposal.

Mr Adams: The original proposal had all of the sporting component on the oval side—the headquarters, the training and the oval—and all of the residential on the other side. Given that the oval is no longer available, Andrew is referring to the possibility of retaining the sport function—the training and management—within the residential sector as being incompatible.

MS LE COUTEUR: But I also thought you went further to say that you did not think it would even work for community sport. I appreciate—

Mr Fagan: For our community programs. Sorry, I should—

MS LE COUTEUR: I was interpreting it as saying that basically because there is going to be residential there, these ovals cannot be used for sporting purposes.

Mr Adams: No, that is a different site.

MS LE COUTEUR: I have an issue with—

Mr Fagan: I probably should define community programs a little more. I am not suggesting that the oval is not suitable for community sport—the continued playing of junior and senior Rugby. It is more our community programs that we run. We have talent centre programs for children aged 14 and upwards. We run coaching and referee development courses for children through to men. We have got incoming groups of children and adults who undertake Rugby development or Rugby camp programs with us, some of which utilise the oval. But they also utilise our facilities—our gymnasium, our meeting rooms, our offices and the rest of it.

I am saying that those community programs are incompatible with being based in and amongst a residential or a commercial operation. But the oval is very much—it is a community oval and I imagine that it has heritage listing and that it will remain a community oval forever and ever.

MS LE COUTEUR: And will continue to have sporting events on it?

Mr Fagan: Yes, absolutely. It will continue to have sporting events on it, yes.

MS LE COUTEUR: My next question is: what is your financial model if this goes ahead? You will or will not be developing it if it sells. In effect, what do you need to get out of this to do your plan to move somewhere else? Assuming you are moving somewhere else, your primary interest in this is financial.

Mr Fagan: That is a fair question. It probably does not come with a straightforward answer in that we are not at that point yet. We are obviously here seeking a variation to the territory plan. I do not have a figure of what a model might look like to do something on the site because that would be part of the development application process.

We are undertaking sufficient work to give us confidence that this type of proposal, RZ4 residential on this site, is a viable option for us in terms of satisfying our needs to generate revenue from the site that would enable us to invest in a new facility. But there will come a point where we will just have to cut our cloth to make that work, to actually build the facility that we need. The cutting of that cloth will vary on a whole bunch of factors, which include the business model that might ultimately be built around any development on the site and also the business model that might exist with any site that we may end up being at.

So both of those options have an enormous number of variables in them that would make it impossible to even try to judge at the moment, other than to say that we believe, with respect to the proposal as put, that not only is it in our opinion good from a public policy perspective in terms of developing the site residentially as opposed to commercially, but it also, we believe, is the best commercial decision that we could make in trying to make full value of the asset that we have.

MS LE COUTEUR: My understanding is that if this all happens you will then have to do a lease variation because, obviously, residential is not part of the lease conditions at present. Under the legislation three-quarters of the additional value will be paid as tax to the government. You would have a much better idea than me, Mr Adams, as to what sort of money we are talking about. But have you an idea whether this is likely to be sufficient to redevelop for the Brumbies or is it likely that you will be looking at some sort of additional support from the ACT government to move to wherever it is you end up moving to?

Mr Fagan: No, we are not at this stage thinking that we are going to seek additional support from the ACT government. In fact—

Mr Adams: Change of use charge will be payable but—

MS LE COUTEUR: Yes, clearly.

Mr Fagan: Correct; so obviously the rules that are in place will apply to the site. But in terms of our future facility needs, as I said earlier, I think it will be a case of our matching up—cutting our cloth to—what yield might exist on this site but also matching it to the business model that might exist and where we might go to.

Based on the number of examples that we have looked at to date, there are probably not two that are the same. They are all quite different with regard to what investment we would make, what type of facility could be constructed, which is dependent on what existing facilities might already exist on those particular sites and, indeed, what partners we might be able to partner with in order to develop the facility. But that future business model does not seek—we are not seeking significant support from the ACT government.

MS LE COUTEUR: I assume you are assuming that the government will continue its current rate of year-by-year support?

Mr Fagan: Yes, correct, which is certainly not relating to any form of facility development. It relates to—

MS LE COUTEUR: No, it relates to sports development.

Mr Fagan: our continuing to provide the economic, social and cultural benefit that we provide to the territory, our continuing to play our games in Canberra and continuing to drive return to the territory. In return, we have that partnership agreement with the territory; so we would expect that that would remain in place.

THE CHAIR: We will have an opportunity to ask the minister more about that arrangement when he comes before us. As an annual grant system, is that a rolling—

Mr Fagan: The performance fee agreement, I believe, is currently a six-year agreement, taking us through until 2016 at this point in time.

MS LE COUTEUR: Under your original plans, you were going to have a building which you could rent out for additional income. Is the fact that presumably this is not going to be the case going to impact—I suppose you have sort of answered that. The future is unknown at this time.

Mr Fagan: I think it is worth noting, as I said at the outset, that we are a community organisation. We are not privately owned, firstly, and we are not backed by or underwritten by league clubs or the like. Our revenue comes from sponsorship, corporate hospitality, events, membership sales, ticketing, merchandise, licensing et cetera.

Like all sporting organisations, you try to the best extent to diversify those revenue streams and you try and identify new ones. There are a whole bunch of variables—the variable nature of weather that can impact on our revenue streams, a rainy day at Canberra Stadium, team performance and a whole bunch of other variables. So we need in the future to look to other ways in which we can generate revenue.

Certainly, in that original proposal one of the concepts was that if we are able to incorporate some activities that were complementary to ours that could also generate some revenue then that would be ideal. One of the examples that we will continue to explore would be the provision of sports science and sports medicine support to the general community, because we employ a doctor, physios and massage therapists who also run practices.

The ability for them to co-locate their practices with us and to provide their services to us and the general community is an example of something that could help diversify those revenue streams. But that is really only something that we will be able to explore properly as we begin to refine down the sites that we are looking at as an alternative to Griffith.

MS LE COUTEUR: What is your preferred model for the actual development? Assuming that all of this goes through, would you envisage being the developers, envisage selling it with a variation—what do you think happens? Assuming all this goes basically as per your plan, what would be the next stage?

Mr Fagan: Probably it is a wee bit early to say. I am not a property developer. I run a football club. I suspect that we would not get into the business of, assuming this all went through, building, marketing and selling a residential development. So we would seek to partner with organisations with that expertise. But as to how a commercial transaction would transpire, as I said, it is probably a little too early to say. But that would be something that we would obviously turn our attention to, subject to this variation going ahead.

THE CHAIR: Going back to the oval, you obviously clearly identified that it needed some work done on it. That was one of the issues that you mentioned before, that it really needed an upgrade. Was there any approach made by you at that time—if you have got this information; if not, perhaps you can give it to us later—to the ACT government to provide funds for you to upgrade the oval yourself? Did they in fact provide those funds?

Mr Fagan: Indeed, there was. There was both an approach and a provision. There currently exists a grant in the order of \$1 million for the development of an elite standard training field. My understanding is that the current status of that is that it remains active—that is, the sports minister has given undertakings to the extent that he understands that, as a professional sporting team, we need to train on an oval that is conducive to our effectively running our operations. But it is really sitting in—

THE CHAIR: It is tied to that—

Mr Fagan: Yes, it is tied to where—it is not tied to Griffith oval. It is—

THE CHAIR: It is not tied to Griffith oval?

Mr Fagan: No, it is not tied to Griffith oval. It is tied to where we eventually lay our hat, I suppose. There is an acknowledgement that we do need that oval, an acknowledgement that there are funds that have been allocated to it. Originally, they were for Griffith oval, but the advice we have received is that that would follow with us when we identify a new site.

MR COE: With the footprint of what is proposed in terms of the 150 apartments, pushing aside the issue with your current lease, with the permissible land uses under the community facilities zone—ones that spring to mind are retirement villages, retirement complexes, residential care et cetera—is it possible that, under CFZ, a

development of very similar characteristics could actually be built?

Mr Adams: It is not a community facility zone; it is a commercial zone at the moment.

MR COE: Sorry, yes.

Mr Adams: I would have to look. You could build a retirement village if you wished, I believe. I think that is allowable under the zone. Aged-care units are not a lot different to an apartment complex. A retirement complex of the nature of the Goodwin Homes with high care beds and wards and so on is quite different. That is quite a different commercial model, and it is not an accident that those are run by Goodwin, which is a charity, and by churches, which are charities. A retirement village of the nature of the Grange in Deakin is not that much different to an apartment complex, and the impact on neighbours and so on is really no different—it is a residential apartment.

MR COE: So what I am getting at is the land use as it is currently set aside in the territory plan, in effect, includes for some developments, such as—

Mr Adams: One of the principal differences in the nature of those developments is those developments cannot be unit-titled and sold separately; they can be sold under loan and licence agreement and so on. So the commerciality of them is quite different.

MR COE: And in terms of the actual footprint and the environmental impact, it would be similar?

Mr Adams: It would be the same, yes.

THE CHAIR: Any more questions, Mr Coe?

MR COE: Not in relation to that.

THE CHAIR: A quick one to Ms Le Couteur, and then we might take a break.

MS LE COUTEUR: I do not have any more financial questions. I might move on to planning questions. Of course, one of the main concerns people have expressed is about the traffic impacts. Currently, there is nothing happening on that site so there are no traffic impacts. Clearly there will be significant additional traffic.

Mr Adams: The traffic impact was examined by the Brumbies' consultants, and their view was that the impact was acceptable, well within the bounds of what might be expected on those roads. That formed part of the planning documentation between the planning authority that was circulated to TAMS. We would not be here today if they considered that the traffic was unacceptable. We defer to the relevant government agencies on all of those questions, and they deemed it to be acceptable. It will be re-examined when the development application comes through, but, on the face of it, it appears to be not an issue. It was raised by a lot of people. It is always a concern, and it is a very legitimate concern. But the traffic people in Roads ACT considered it to be fine.

Mr Fagan: I think it is worth noting one thing just in response to the point about there not being much happening now. The Brumbies organisation employs close to 40 staff. We have close to 40 players in addition to that. So there are 80 individuals working for us on any given day. In addition to that, we run an academy program with another 40 people who have afternoon programs with us. We have foundation members who use our gym in the morning, which is probably another 20 to 30 individuals. We previously did all of that on the site where we also had an operational bowling club with 100 to 120 members, and a licensed club that operated with a restaurant. So in terms of the traffic and the people that were accessing that site over the last 15 years—I am not a traffic expert and will defer to those guys—we are not going from nothing. There is actually a pretty solid base.

MS LE COUTEUR: That is a fair comment. How do you think it works in terms of public transport? While it is in Manuka's vicinity, and Manuka has a lot of public transport, it is not actually in Manuka; it is a reasonable hike to Manuka. I think there is one bus stop fairly close, but it is not a very frequent route.

Mr Adams: It is close to a bus route. It is not the best public transport service in Canberra. It is what it is. Densification of inner areas like this hopefully will encourage more frequent bus services. That is what it is all about. That is one reason why the transport plan encourages densification. Obviously, there is a balance—lots of densification will facilitate better public transport services, but it also has its impacts. It is what it is, and it is not as good as somewhere on Northbourne Avenue, which has 34 bus routes or something going up and down, but it is accessible.

The transport plan recommends high frequency services and lower frequency services, and that is a good innovation in Canberra in that it is what has existed everywhere else. When you buy a residence, you make a choice. If you are a high public transport user then you live somewhere where there are higher levels of public transport supply. If you are a low level public transport user then you have a choice of living somewhere where there is less public transport. I often say that if you look at ads for housing in the Age in Melbourne, they always say either "Close to public transport—train or tram", or they say nothing. People make a clear choice. If you need public transport to get to work or if you need it because you do not drive a car then you locate your residence near public transport. It is quite expensive and inefficient for a city to provide high levels of public transport service—15-minute services—homogenously over the entire city, especially Canberra, which is spread so far and wide.

The current plans are now providing high levels of service in corridors, which gives people a choice. The people who live here initially would be the sort of people who would say, "Well, public transport is what it is," and they accept that. Over time, as densification occurs elsewhere in the inner suburbs, even if there is no more—and I doubt if there would be much more densification in this part of the world—there will be more frequent services because there will be more people living further up and down that route, and maybe there will be more services.

MS LE COUTEUR: How many metres actually is it from Manuka?

Mr Adams: 600.

MS LE COUTEUR: So that is about a 10-minute walk?

Mr Fagan: Depends who is walking. I would say Mr Coe would do it in about 3½ minutes.

Mr Adams: To put it in perspective, the transport plan suggests that every house in Canberra should be within 500 metres of a bus stop.

THE CHAIR: So it is not a lot.

Mr Adams: It is just beyond the distance, and it is a pleasant stroll. I would say that it is close enough that people living there would choose to walk to Manuka rather than drive their cars. There is not much doubt about that at all, if you were going for a coffee or to the shops or whatever. In fact, that is what the majority of our staff do each day—they would walk down to Manuka. It is quicker and easier and more pleasant than driving a car.

THE CHAIR: Okay, so they will miss you if you move.

Mr Fagan: Could well be.

THE CHAIR: They might take out a petition to say that they do not want you to move.

Mr Fagan: They might. Mee's Sushi may be upset. You never know.

THE CHAIR: Talking about coffee and tea, we will break for a coffee. We will reconvene at a quarter past.

Meeting adjourned from 11.05 to 11.17 am.

THE CHAIR: I might just go back to the financial stuff. I just wanted to understand the relationship between the Brumbies and the Australian Rugby Union. Can you unpick that a bit for me, please?

Mr Fagan: The ACT Rugby Union are one of the member unions of the Australian Rugby Union. Just as our constituent base is our member clubs, the ARU's constituent base are the state unions—the ACT Rugby Union, the New South Wales Rugby Union et cetera. So we have a relationship with them in that sense.

The relationship is a little different because, in addition to being one of their constituent members, we also run a professional Rugby team, of which they are charged with having, as it stands now, five teams playing in the international Super Rugby competition. We have a franchise relationship with them, essentially, by virtue of the Brumbies team, as well as a state union member relationship.

THE CHAIR: So these are different financial arrangements that you have in each of these different relationships?

Mr Fagan: The financial relationship is one that is determined from time to time. As a state union, they provide some funds to us to support our state union programs, which are those programs around community engagement and development—so to help us run our competitions and to develop young players and ultimately just to promote the sport of Rugby Union. They support us in that endeavour.

They are a minority supporter in that respect, providing approximately \$250,000 in annual grants to us. We would invest into the community game about \$1.5 million annually. They also pass through to us an annual grant for the Brumbies, which effectively reflects a share of the broadcasting revenue that they receive from the broadcasters of the Super Rugby competition.

THE CHAIR: And that is all expended on the elite side?

Mr Fagan: That is correct. That is all tagged to essentially drive the elite program. Again, that grant would reflect only a minority of our costs; it would cover only a minority of our costs. The rest of our costs are funded through our own revenue generation, which is sponsorship, corporate hospitality sales, our membership program, our match day ticket program and the like.

THE CHAIR: Did anyone have any questions off the back of that?

MR COE: Yes, I did. Are there any other examples that you can point to of comparable associations or clubs engaging in this kind of venture?

Mr Adams: Most of the sporting organisations in Canberra. For example, the ACTAFL are probably a good example. Again, they are just a membership organisation. They have a substantial program of teaching kids to play Aussie Rules and community engagement through that sport. I think they are currently headquartered at Manuka oval. We do not have an ACT Aussie Rules team in the national competition so they are operating at a lower level. I imagine there are thousands of participants in Australian Rules around the territory between—

MR COE: I am sorry; I am particularly talking about the property side of things.

Mr Fagan: Are you talking about someone who developed a site, whether it is a church group or a community association? Is your question about any other community association seeking to develop a site?

MR COE: Yes, in the ACT or perhaps elsewhere.

Mr Adams: Most of the ones that have done that sort of activity or are engaged in that sort of activity in Canberra are licensed clubs, who actually have substantial funding backing. There are numerous examples of those. For example, Ainslie football club have a substantial facility in Ainslie. They have developed a substantial club facility in Gungahlin, as well as a golf course, which is obviously a major community asset.

I am not sure what the actual arrangement is, but I think they effectively own the bowling club in Braddon. I think it is called Canberra City Bowling Club. They have

been able to provide the funding to keep that club going. Like Canberra South, it was pretty much financially stretched, but the management and the funding that flowed from Ainslie have kept it going. I think it is viable in its own right. That is a consequence of management as well. I do not think the bowling keeps it going; it is the management and the other revenue that they gain from their premises. Again, that is backed up by the revenue that comes from a licensed club, which is quite a different thing.

Mr Fagan: One of the other points worth noting is that what happens probably more commonly—and this has been the case with almost every AFL club in the last 10 years—is the state government and/or the federal government contribute quite significant sums of money to develop facilities for those sporting clubs tied into their stadiums, like Geelong, the Richmond Tigers, the Western Bulldogs—Essendon is going through a process right now—Collingwood, St Kilda et cetera, and that is all in the last five years.

It is the same with soccer and the Central Coast Mariners. The clubs have existed, but they need to develop their facilities in order to remain viable. They have looked for a business model and quite often that business model has been the state government—often with the support of the federal government, but usually underpinned by the state government—providing significant sums of money to fund that facility development. I think it has less been the case—and sometimes that has involved some realisation of value from the sites in which they currently reside. So either those developments take place on those sites or those—

MR COE: Like in St Kilda where they have gone out to Frankston.

Mr Fagan: Yes, they move sites and they are essentially funded by government.

MR COE: For our benefit, but also for anyone that might be reading this transcript—and I preface it by saying that I know you have already discussed the concessional lease issue—would you please address the concerns that some Canberrans would have with regard to the legitimacy of getting land for one purpose, at a discounted purpose perhaps, and then developing it to make a profit? That is certainly a concern that has been raised. I think it would be beneficial for us and also for many Canberrans if you could address that.

Mr Adams: I will say at the outset that the Brumbies acquired this asset, as far as they knew, on all of the advice they had at the time. I think the opinion of the planning authority at the time was that it was not a concessional lease. It was just a commercial parcel of land that they were buying as an asset, in the same way that they might have invested in an office block or something. That is an important consideration.

On the more general question of concessional leases, a lease in Canberra is a contract between the lessee and the government. The lessee agrees to do certain things and the government issues a lease because the government wants certain things to happen. In the case of a regular shopping centre lease, the government and planners have decided “we want some shops”, so they issue a shopping centre lease and someone buys it and builds shops.

Because of the leasehold system in Canberra the opportunity was available, because the government owned all the land and because they wanted to build the community of Canberra. The option was available for the government to encourage or to facilitate community facilities, such as churches or clubs or whatever, and for the government to issue land at a concessional rate or for free in return for the organisation building a bowling club in this particular case. Probably it was the case with other bowling clubs. The community and, therefore, the government wanted a bowling club.

The bowling club is a non-profit organisation. From my reading of the history of it, some bowlers or would-be bowlers decided they would like to have a bowling club, that it would be good for the community. They approached the government and said, "We'd like to build a bowling club; we haven't got any money." The government said, "Here's some land and it's free." It was not actually giving them land for anything less than market value because its actual market value was probably close to zero in 1954. Land was not worth much, and land for a bowling club was not worth much.

The club then, through volunteers, put in the hard yards to raise the money to build the building and to build the greens. They might have got a bit of a handout from government or from some organisation. They might have done this, that or the other, but I can pretty much guarantee that over the 50 years of the life of that club millions of dollars worth of volunteer time, effort and money was put into delivering a facility for the community. On the one hand you might say that they did not actually get something for nothing. They gave something to the community by the sweat of their brow, if you like, over a long period of time.

We then get to a position 50 years later—it could be a bowling club in Braddon or wherever—where it is nominally a concessional lease or deemed to be a concessional lease, because it was originally granted for no value, and the organisation, for whatever reason, needs to move on to some other premises or it wishes to actually capitalise on the investment.

At that point they do not actually get anything for free. In order to move on, what they have to do is pay out the concession, and that essentially means buy the lease. That is what happens when you pay out the concession; you buy the lease. So instead of buying it in 1958, they buy it in 2010 and they buy it at today's values. They have actually paid for the land. They have got the option to do that.

The other option is to say, "You can't do that." That creates a stalemate because if you have got a bowling club that is struggling along and their only option, if they do not want it anymore, is to hand it back, they are actually not going to hand it back; they are going to struggle on. You just end up with blight and stalemate forever. It is actually quite a sensible system where they have got the option to have the payout amount assessed. It is not up to them; it is up to the planning authority and their valuers to say what the payout amount is. That is paid out and they then own, free and clear, if you like, a bowling club lease.

A bowling club lease is not worth much because usually the bowling club are not very valuable. They might proceed to develop the site or do something further with the site. In order to do that they have to vary their lease, and that attracts a change of use

charge. So they pay for the development rights over and above the change of use charge.

It is not really a question of somehow or other they got it for free and, if they do not want it, they should give it back. Firstly, they were granted it because the government had a very clear objective in granting it. The government wanted a bowling club established on that site to serve the community. It is the same for churches and scout halls. They might be on a concessional lease. It took hundreds of thousands of hours of volunteer labour to make something happen. At the end of that time they can choose to take their function somewhere else because the economy has moved on and things have changed.

They have the option of doing something with the lease. They have the option of giving it back to the government and walking away, but that is not actually a very sensible thing for most organisations to do. Indeed, most of those community organisations have obligations to their membership—they cannot just walk away; they need to actually husband their asset. If their asset is a concessional lease then it is a piece of land that they have put an awful lot of work into over a long time that might have some value, but they have to pay for that value. That is how it works. That is the answer. It is not a simple, easy answer, because the easy answer is: “You got it for nothing. If you don’t want it, give it back.” But that is overly simplistic and not correct.

MR COE: In terms of the governance at the Brumbies, who will be making the decision about whatever DA is submitted or whatever action is going to happen to the site, if the variation is to go ahead?

Mr Fagan: The board of the Brumbies makes that decision. As I said, we are a member-based organisation, so our composition of the board is determined by our members through a general election of our member associations—member clubs and other association groups, junior Rugby Union et cetera. They elect members to the board and we have the ability to appoint a couple of others. Ultimately that is the board. The group making the decision is the board of the Brumbies, which is a representative group of our members.

THE CHAIR: Before you were talking about the fact that you are a not-for-profit organisation. Is Australian Rugby Union Ltd not for profit as well? What are the tax arrangements for both yourselves and for the other body?

Mr Fagan: I will certainly speak for us primarily, and my understanding is that Australian Rugby Union exist in a similar way that we do, which is they are a not-for-profit organisation. They are owned by their member clubs, which includes ACT Rugby Union, and, in a similar way, we are a company limited by guarantee but we are a not-for-profit organisation which exists to promote and develop the sport of Rugby Union in this region. Some of our operations include the management of a professional Rugby team. So, in that respect, we have the same taxation arrangements that other not-for-profit organisations have.

MS LE COUTEUR: Can you just talk about what use is actually made of the site at present? I do not mean the Brumbies’ use, because we have been through that, but the

community use. It basically appears to me to be largely an open space site. Is this being used by community at present?

Mr Fagan: No.

LE COUTEUR: We have got representations from people talking about how they walk through the area and that it is an important local asset.

Mr Fagan: Well, I am not sure that is the case. I am sure it is the case from time to time. I see on occasion people walking their dogs across the bowling greens to get from La Perouse Street across to the oval, but I would see that once or twice in a week—and I am there a lot—in the 60 hours a week that I am there. The oval is used a little bit more.

MS LE COUTEUR: Yes, but the rest of the site.

Mr Fagan: The thoroughfare—well, the dirt track that runs between the oval site and lot 15—tracks down towards Manuka and opens up at the tennis courts, so that track is used regularly. But that is outside our site. The point I am making is that I am not sure whether people confuse what is the site. The site essentially comprises three bowling greens and the buildings. There is no activity that takes place on those bowling greens outside our activity. There is no activity that takes place within the buildings that we operate that are outside our operations. So the only people we see would be those that are essentially walking alongside the outskirts of the block—the front of Austin Street, the dirt track down to Manuka oval or the bottom of the site at La Perouse—aside from the occasional person who takes a shortcut across the bowling greens. So there is zero community usage.

MS LE COUTEUR: I will rephrase this so I am entirely clear. Basically, the proposed residential site is all encompassed in the bowling greens, so that none of the more bush-like parts of the area would be used in the residential area; is that right?

Mr Fagan: I will let Tony answer that question, but I should clarify my remark as well. In the way in which the site is constructed—when you have the opportunity to visit the site, you will see this—below the bowling greens there is some foliage that essentially would mean that you would not see people cutting across the bottom of the site, which essentially would be adjacent to the road to Manuka. So there could well be some traffic that cuts along that water line and goes down there. There could well be people following that in terms of people walking to Manuka, but in terms of the site that we can see—which is basically the middle of the site, the bowling greens and our facilities—then there is very little use. But I will ask Tony to comment.

Mr Adams: We can probably look at those things more closely this afternoon. Again, they would be examined in detail as part of a development application. The concept plan that was included in the planning report shows where the buildings go. It also shows that there is a substantial stand of trees along the dirt track, the footpath between the oval and the site. There are trees on the drain side of the site, and there are trees around the La Perouse-Austin streets frontages. But under this concept, they would largely be retained.

MS LE COUTEUR: I think we have actually all got the same plan in front of us. Partly the reason I am going through this is because Hansard does not record diagrams at all. So, in relation to this diagram just before appendix 8, the bowling greens would not extend as far as the residential area?

Mr Adams: That concept as shown in appendix 8 shows buildings that would extend a little further than the current extent of the bowling greens; that is correct.

MS LE COUTEUR: When you say “a little further”, do you have any—

Mr Adams: I do not know.

MS LE COUTEUR: Could you get back to us, because that would be interesting for people to know. It is quite clear where the bowling greens are, and it would be interesting for people to be clear on how much of the additional space would be used.

Mr Adams: In appendix 9 there is a survey plan, and it clearly shows the bowling greens. If you can mentally compare that to the concept—

MS LE COUTEUR: Yes, they are not very different.

Mr Adams: There is not too much difference. Having said that, this is a concept, and the architects were told: “Just do a concept. We don’t know what we’re going to do, in reality. It’s subject to a development application process.”

MS LE COUTEUR: Yes, it does look like a very similar footprint.

MR COE: That is actually, I think, by some of the existing trees in attachment 2.

Mr Adams: Yes, you can see where the trees are.

MR COE: They are trees numbered 115, 116, 128, 241 and 242 marked on this map beyond the perimeter of the building.

THE CHAIR: Yes. There is also quite a lot of explanation in the documents that we have before us that you have submitted about the trees. Would you like to talk a little bit more about that, because there has been a lot of concern expressed by the community in relation to the trees.

Mr Adams: As is reasonable, there is considerable concern about the trees. There are a lot of trees on the site. It is always difficult, because this is a proposal to rezone the land, not to actually seek approval for an actual building and a footprint. So, at that level, we do not know what is likely to happen to the trees. However, we are very aware of the concern, and this was obviously a matter that was raised in all the consultation.

In the planning report that we lodged and that the planning authority accepted and published with the planning study, if you adopt that concept plan—this is on page 47 of the planning study—with the proviso that that may not be approved or something different may be approved—the tree survey which is also in one of the appendices is

very detailed—of the total number of trees currently on the site—there are 167—the number that would be retained is 121, which is 72 per cent, and 46 would go. So 72 per cent of the total trees on site would be retained. Of course, what is not said here is that any future development would involve substantial new tree planting as well.

A commitment was made by the Brumbies—it is on page 46—that no trees rated as exceptional value would be removed. They have all been rated in the tree assessment. Trees of high value will be preserved wherever practicable, and medium value will be preserved wherever that is reasonably and readily achievable. All trees will be replaced. Indeed, I would say there will be substantially more trees replaced than would be removed in the sort of landscaping you would get in this sort of development. Obviously, the conservator and the planning authority have the final say on trees. This is all for information, because it is obviously a matter of interest, to attempt to give the reader an idea of what might happen as opposed to saying, “Well, we don’t know what’s going to happen.” I think it is a good way of giving a good idea of what could happen. With those commitments, it is quite important.

MS LE COUTEUR: The other related question is the flood area. There has been quite a lot of discussion that floods are more extensive than possibly you have planned for. Can you talk about how you have dealt with the flood area?

Mr Adams: It has been examined by the engineers who formed part of the team examining this project, and their report is in the planning study. We rely on the advice of the engineers, who advised that it was all acceptable. I am not surprised at that. The standard throughout Canberra is that development should only occur above the one in 100 year flood level. They determined where it was and considered that this is acceptable. That, of course, has been through the department of urban services as well; they looked at it as well. They have come to the view that it is acceptable and meets all the relevant criteria. As with the traffic, if they had an issue, if there was a problem, we would not be here because it would not be working.

MS LE COUTEUR: This is going back to a financial question, but have you got any feeling as to what would be the minimum number of units that would make this whole exercise financially viable? Clearly, if it was one single house, you would not be going there. But I think it is an issue that is relevant to the residents.

Mr Adams: We would not be able to put a number on it. The territory plan specifies, if it was RZ4, an 80 per cent plot ratio, so that is, I think, 13,000 square metres or thereabouts of development. Whether they are larger or smaller units depends on the actual number, but we do not have any information on what the minimum might be. We are working on the plot ratio of 80 per cent.

MR COE: On the question of capacity of the utilities, I see the utilities report gives a thumbs-up to the majority of the utilities investigated, with the possible exception of stormwater. Do you know what sort of work would be required there? It is attachment 3 at page 4 of the—

THE CHAIR: And you can see it yourself, Mr Coe.

MR COE: Attachment 3, page 4.

Mr Adams: Stormwater? Is this section 3.4 where they—

THE CHAIR: 4.4

MR COE: 4.4

Mr Adams: 4.4, stormwater, it will not be adequately serviced. Firstly, with the cry that I am not an engineer, I would not be surprised if the existing services would not be adequate to service a differently developed site. But with a residential development, you get a harder surface and more run-off. And that is what they say, I believe, that you would need to redesign the services to cater for a different development of the site. But they do not say, and I would not expect them to say, that that would be a difficulty or difficult or present any problem.

MR COE: That is in effect what they come to in 5.0 in the summary at the bottom of that page as well.

Mr Adams: Yes.

THE CHAIR: With respect to the national capital plan, on page 9 of your report, the fourth one down mentions respecting the geometry and intent of the Burley Griffin formally adopted plan for Canberra. And you say that this proposal will model to the formally adopted plan. Was there an earlier concept that there would be a green belt, I thought, in that Burley Griffin plan that would go from Red Hill through that area? Is that correct or is that your understanding?

Mr Adams: I do not know. Not that I am aware of. The geometry is normally taken to be the road layout—at least it would be my interpretation—and obviously this does not affect that.

THE CHAIR: It is the road layout, yes.

MR COE: I believe some reference has been made in some of the submissions to a greenway connecting the lake to Red Hill.

THE CHAIR: Yes, it has.

Mr Adams: Because immediately adjacent to the site there is the floodway and that is a heavily treed floodway, that green belt will be retained.

THE CHAIR: That green belt will be retained and will not be altered by the development.

Mr Adams: No. That continues and in fact it is interrupted at Manuka and then becomes Telopea Park. It is the same creek.

THE CHAIR: There is obviously a lot of community concern about the way that that whole park kind of environment, the trees and I guess the ambience of that area, is preserved. I guess that is the direction of my question, that people are concerned that

that would be in fact compromised in some way.

Mr Adams: Development of this site will be within the boundaries of this site, which will not obviously impact on the other parts of the oval, the floodway, the two ovals and the tennis courts. So all of that will be preserved and with the retention of the majority of the trees on this site, the ambience of the area, at the moment, in my view, would be improved. At the moment there is a lot of car park, what you substantially see, and, to be honest, a fairly nondescript building.

THE CHAIR: Probably then you need to look more into that whole concept of what Burley Griffin was actually referring to when he was referring to the public open space that needs to be maintained in Canberra. And obviously it is something that we need to, as a committee, be cognisant of as well as the spatial plan and, going forward, what the government is looking to achieve as far as density and those kinds of things are concerned. So that is something we need to look at.

Mr Adams: Bearing in mind this is not public open space; it is commercially zoned land.

THE CHAIR: No, I am just saying we need to be constantly aware of those kinds of things when we are considering these things. No, of course it is not. Did you have another question?

MS LE COUTEUR: I ask this more as seeking a view. Many of the objections have basically said this is not consistent with the existing residential character and is not consistent with the neighbourhood plan. Have you got any response to that?

Mr Adams: As it is at the moment, it is an island of commercial zoning within a residential and urban space precinct. This proposal changes it to residential. It is a high-density residential, not much higher, but it is higher density residential than across the road. It is still an island site—it is isolated by its own roads—adjacent to the public space. It looks north over the oval. The principal answer is that at the moment it is an island of commercial space in a residential zone.

It is probably fair to say that in 1993, when the territory plan came into being and all the zones were created, if there did not happen to be a club facility here, it would have been zoned residential because it is in the middle of a residential area. And that is where we are heading at the moment, to make it residential. But the territory plan in 1993 tended to zone things as they happened to be at the time, and what they happened to be at the time was not necessarily the result of a well-thought-through, careful planning exercise.

THE CHAIR: Do you have any more questions?

MR COE: Yes. We touched on it earlier but would you be able to talk me through how often perhaps and to what extent you have had communication with the various resident bodies, especially the ones that have submitted to ACTPLA or to our inquiry?

Mr Fagan: There are obviously the two public hearings that were held back in 2009, when we initially presented the report or compiled the report. So there were those two

public hearings. I have had—I cannot recall the exact number—I think, a minimum of two meetings with representatives of the Griffith and Narrabundah residents association. And I think that would be the extent of any form of formal meetings. Obviously there has been the consultation that then is taking place as part of this process, as part of the ACTPLA process.

Mr Adams: Appendix A itemises consultation that has occurred and the processes and summarises the comments received and responses to them, I think.

Mr Fagan: And I think that appendix A probably would not even reflect some of those meetings that took place outside that, which was, as I have suggested, a couple of meetings with the residents association. There have been no other meetings—certainly no meetings that have been sought that we have not had either.

THE CHAIR: Do you have any more questions, Ms Le Couteur? Mr Coe? Are there any other comments you wish to make at this stage? What we will be doing is sending you a copy of the transcript of this hearing so that you can have a look to see whether or not you agree that that is an accurate recording of the hearing.

Mr Adams: It is always accurate and sometimes embarrassing—too many “ums” and “ahs”.

THE CHAIR: That is right, and then the times when you go off in a different direction half-way through a sentence, yes. If there are any other questions, I am sure that we will get those to you as soon as possible. We look forward to the site visit this afternoon and we will be having another public hearing on Friday, 4 November this year. So we will adjourn at this point. Thank you very much.

The committee adjourned at 11.53 am.