PUBLIC ACCOUNTS COMMITTEE

INQUIRY INTO DEVELOPER CONTRIBUTIONS FOR INFRASTRUCTURE COSTS ASSOCIATED WITH LAND DEVELOPMENT

TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
ON MONDAY, 5 APRIL 2004

SESSION 6

Members

Mr J.B. D'Orazio (Chairman)
Mr M.G. House (Deputy Chairman)
Mr J.L. Bradshaw
Mr A.J. Dean
Ms J.A. Radisich

[2.45 pm]

COOPER, MR GEOFFREY
Senior Policy Adviser, Property Council of Australia,
Level 4, 182 St Georges Terrace,
Perth, examined:

CAMPBELL, MR EVAN IAN,
Development Director, Mirvac Fini (WA) Pty Ltd,
1002 Hay Street,
Perth, examined:

MUDFORD, MR DEAN,
Manager, Apartments WA, Stockland, examined:

The CHAIRMAN: Before we start, I need to read to you the briefing for witnesses. The committee hearing is a proceeding of Parliament and warrants the same respect that proceedings in the House itself demand. Even though you are not required to give evidence on oath, any deliberate misleading of the committee may be regarded as contempt of Parliament Have you completed the "Details of Witness" form?

The Witnesses: Yes.

The CHAIRMAN: Do you understand the notes attached to it?

The Witnesses: Yes.

The CHAIRMAN: Did you receive and read the information for witnesses briefing sheet about giving evidence before the committee?

The Witnesses: Yes.

The CHAIRMAN: Have you made a written submission?

Mr Cooper: We have previously written to members of the committee, but this is the first formal submission.

The CHAIRMAN: Do you wish that this submission be incorporated as part of the transcript of evidence?

Mr Cooper: Yes, please.

The CHAIRMAN: Before we ask any questions, do you wish to make any statement to your submission?

Mr Cooper: Yes, if we could. I was hoping to run briefly through some of the key concerns that we have with the proposal for a development levy, which is alluded to in the terms of reference. I will quickly run through that. We then have an example that Evan Campbell will run through, and then Dean Mudford will also make some points to supplement that.

First, we would like to acknowledge the fact of increasing demands on government to get new and upgraded infrastructure. We acknowledge that Governments need money and clearly must raise funds to provide the infrastructure that they are asked to provide. The question that I guess the committee needs to address is how you actually fund that infrastructure. As you will be well aware, there are many different ways of doing that. I understand that this committee has met with the authors of the Allen Consulting Group's report of August 2003, which is a report that the Property

Council of Australia commissioned over east. That contains a lot of the arguments and sets out all the different options. I assume that it would not be worthwhile running through that document.

The CHAIRMAN: I do not think so because we spent two hours with them. I do not think they were too impressed with the Chairman, the Deputy Chairman and some other members after we tore apart their submission and the basis of it. I assume that we have been through all those issues and that we understand their assumptions, not that we necessarily agree with them.

Mr Cooper: Fair enough. To kick it off, I guess one of the first key objections that industry has to the idea of a development levy is the fact that it is yet another burden on the property industry. If you are looking at the budget statements, taxes on property total 42 per cent of the total state government revenue from the tax take. That is a pretty significant proportion for an industry that represents probably closer to 10 per cent of the economy. Even if we strip out indirect state property taxes, the figure is still over 30 per cent of total state government revenue. The major taxes are obviously stamp duty and land tax. To impose yet another burden on property would amount to another attack on property rights in Western Australia. Obviously, there is a need, and we acknowledge the need, to raise funds from property. That is fair enough. However, we see that to continually target one sector of the economy above all others places an undue burden on one sector. I guess there is an increasing level of intolerance in the community to property taxes. I guess that is the reason we think there will be a strong reaction to the development levy. I think that those people understand that a development levy will increase the costs for those who can afford them the least. It is the affordability argument, and we think it will be an attack on the Australian dream whereby people seek to own their own home.

I will not go through all the property tax debate in detail, but we can say that over the past 10 years the land tax rate has doubled; the metropolitan improvement tax paid has almost doubled; and stamp duty paid by WA people for property purchases has increased fourfold. There has been a new annual charge placed on property through the emergency services levy, which raises more funds than were previously raised under previous levy scheme. There has been a Perth parking levy, which is an infrastructure levy -

The CHAIRMAN: The sky tomorrow will be blue as well. Let us get things in context: the profits have gone up and so has everything else. What has that to do with development contributions?

Mr Cooper: We are talking about the fact that infrastructure levies are yet another burden on property. People in the industry are quite rightly frustrated at continual efforts and attempts to put more of our tax burden onto it. The Perth parking levy, which is an infrastructure levy, is a tax to fund the CAT bus services, which is a form of infrastructure. It applies to parking bays in the CBD and West Perth. It has been increased from $70, to $120, to $150, to $180 in the past three budgets. That is an increase of 150 per cent.

Ms J.A. RADISICH: How do you explain or rationalise the developers who effectively impose a tax on themselves? They like the idea of making a contribution to their own developments, such as in the case of Ellenbrook and also, I think, Wanneroo, where the developers approached the local government and said that if it chipped in, they would chip in and could build infrastructure together.

[3.00 pm]

Mr Cooper: Absolutely. Developers do not mind reaching agreements with local councils to pay for infrastructure when that is something they agree to. If that is a deal they want to reach, that should be acceptable. That is the free market rationale, is it?

Ms J.A. RADISICH: If some people are willing to do it, does that not undermine some of the arguments that you are suggesting they do not approve of?

Mr Cooper: No; we are talking about a compulsory levy on development, which is yet another compulsory charge. It is the compulsory element of it that makes it objectionable.

Mr Mudford: The reason that some agreement was reached with the local authority to provide infrastructure was that there was no other efficient system in place to deliver it. If you are going to deliver a subdivision on that sort of scale, you must be pretty sure of the outcome, so the developers had to take that role on board because they had no other option. I am not saying that that is the most efficient or effective way to produce it.

Mr Campbell: It also depends on what sort of infrastructure that is. I do not know Ellenbrook well, but I imagine it has some social infrastructure, which both the developer and the local council contributed to and which they obviously see marketing benefits from, which is tangible.

The CHAIRMAN: However, it is still a tax, whether or not it is marketing benefits.

Mr Campbell: Sure, but if it is social infrastructure, you can sell that a lot more than the economic infrastructure, which will just be passed on to the end consumer.

The CHAIRMAN: I understand that, but there must be some sense to this. You can say that it would be a better and more efficient way of providing infrastructure if the Government provided it, but it will not happen. We need to be sensible about the outcome. I understand that developers do not want to pay any more than they have to pay, but there is some compelling argument. We have heard evidence from different groups, and everybody has some idea that there will be some outcome whereby some social infrastructure will be paid for. The level of that is the question and how developers are given certainty of process and protection from unscrupulous people who say that they will pay $50 000, as they do in Sydney. Nobody has that intention. The committee also understands that we need to ensure that the end product is not priced out of the market. Consequently, saying that we will not ask you to pay $5 000 so that the blocks in Mindarie will be $195 000, not $200 000, is absolute rubbish, because that will not happen. Even the consultants who have come before us have said that that will not happen. In essence, what happens is that the in globo price goes down and so the $8 000 in this feasible example becomes $7 000.

Mr Campbell: You suggested that in globo land values have gone down. Do you have some evidence to show that the in globo land prices have gone down in Sydney?

The CHAIRMAN: No, I do have not evidence for Sydney. However, one of the consultants acting in Perth said today that it was a fallacy to say that if you drop the price of land by $5 000, that is what will happen to the block.

Mr Mudford: We would have to wholeheartedly disagree with that. In reality, in commercial terms, that just does not happen. People do not drop the price of their property when it is on the market because of another cost impost that has come onto the land. They will hold their price. The options are either to not sell or a developer will take the punt and pass that cost on to the end consumer and pay the price. To think that the land price will reduce as a result of it is the fallacy.

The CHAIRMAN: Whether or not it is, the problem is that $5 000 may not make a significant difference at the end.

Mr Campbell: I accept that. You cannot say that if you did not have it, it would be $5 000 less, because there are so many factors involved.

The CHAIRMAN: Absolutely. I understand the argument and I understand the defences. We do not want to get into that argument. We want to look at the issue and ask what is fair and what is not. Obviously, some contribution will be made by developers to infrastructure. What do you think would be the best way of protecting the interests of both the councils, which are saying that they do not have enough money to provide the infrastructure, and the developers, who want certainty, who want to know what their costs will be up-front and, more importantly, who do not want to pay for things that are airy-fairy and that unfairly add extra costs to developers, and not for the benefit of their developments.

Mr Cooper: What particular infrastructure are you talking about?

The CHAIRMAN: I am talking about soft infrastructure. The other infrastructure is done as a condition of subdivision. It would be very difficult to affect them, although we heard this morning that the Water Corporation charges only 40 per cent of the real cost because the other 60 per cent comes from its rating on an ongoing basis. There could be an argument that that should be looked at. However, at this stage we have not concluded that; that was the evidence received this morning. We are talking about the soft infrastructure at the fringe and whether that is $500 or $1 000 a lot, the suggestion from the local government association is that it is $5 000 a lot and others have said that it is $3 000 a lot. We are not sure what the numbers are or what the processes are. I am asking you what you see as a fair process to establish what should be the game plan so that we are all singing from the same song sheet.

Mr Campbell: Having worked in New South Wales for a number of years and in my career in Victoria, I know that if there is to be an end impost on the development industry, it is important that we have certainty that there is a plan that substantiates the infrastructure requirement for an area, what the time frame is for it to be built and who will implement that. In working with councils in the east on section 94 contributions, which I am sure you are aware of, we found that that plan did not necessarily match the community's needs. What we would like is that if you are imposing a levy, you substantiate that with costs and an infrastructure plan to match the levy that the developer is paying, which is important.

The CHAIRMAN: His example is a bit different, as I pointed out to the previous witnesses. Because the subdivision is controlled by the State and not the individual councils, you have the ability to have uniformity. The suggestion made by one of the fringe councils is that it be in the structure plan up-front and those things that are called soft infrastructure are clearly identified. Then you work out what the costs are, who will pay for it and when to pay it, and it becomes a condition of the subdivision process. It also has been suggested that you might consider having a cap, so that developers know that the worst outcome for them is XYZ, so that you do not go above a certain figure. That would require a change only to planning bulletin No 18.

Mr Mudford: To place some certainty around dollars is one thing, but, as Evan said, to place certainty around the delivery of that product will be the difficult part. What certainty will the developer have that that infrastructure will be delivered within that period to match the development program? One without the other does not make sense.

The CHAIRMAN: Would you say that you could address that by having an agreement based on the conditions of subdivision between the council, which delivers the service, and a developer so that you will get certainty? Is a way of resolving that problem imposing cost penalties on not providing the infrastructure when it is needed etc?

Mr Mudford: How is it enforced?

The CHAIRMAN: It is a legal agreement. If they do not do it, they will suffer cost penalties, just like you do if you do not do what you are supposed to do.

Mr Campbell: Are you advocating that the council administer it through local government or through state government utilities?

The CHAIRMAN: It could be done either through the state Planning Commission POS fund or the council. It is the certainty of delivering the service that is important. Who will do it, and if they do not do it, what will be the penalties so that the developer gets some sort of certainty that he will get a benefit?

Mr Campbell: We would prefer that the role of the utility authorities be to implement and provide the infrastructure. It could be administered through subdivision conditions etc, but that is only paying council. Then the funds would be distributed to the relevant authorities.

The CHAIRMAN: Would you want that as a legal agreement to get some sort of certainty? Is that how I am reading what you are saying?

Mr Mudford: It would have to be some sort of legal agreement. Again, if we look at this thing at a microlevel on a council-by-council basis, if they are getting the funds from the developer as part of the contribution or from the consumer, in some instances that may not constitute an enormous amount of money to pay for one part of infrastructure that might be quite expensive in that locality. I do not know whether you are proposing a pooled system by which the Government would collect all the contributions, which would be dished out on a need-by-need basis. I do not know what would happen when there was a conflict of demand for infrastructure and there was not enough money in the pot to pay for it.

The CHAIRMAN: These are all issues that we need to look at. This is only discussion at this point. That is what has been put to us by different groups. There seems to be some consensus that at the end there will be some money available for social infrastructure. What we are trying to do is have a framework in our own minds about how to shore that up so that everyone has certainty, it is fair to everyone and everyone understands what the rules are and who administers and controls it. That is what we are about at this point and we are not sure about anything. Any thoughts or suggestions would be well received.

Mr Campbell: We want certainty, but let us say that there are three parcels of land capable of being developed in the northern corridor and three developers are sitting there waiting for the first to go because that one will fund it all. As a developer, if we fund it, we want to be able to recoup in the future because we are funding the capital costs up-front.

The CHAIRMAN: That is for major things such as water and sewerage, and that is already covered because the water authority has told us that if you pre-fund something, it will pay you back. We are now talking about the softer stuff on the fringe, which is really the small council-type things.

Mr Mudford: Does that include local road systems; that is, all distributor roads?

Mr J.L. BRADSHAW: No; child-care centres -

Mr Campbell: Open space, community facilities -

The CHAIRMAN: Fancy footpaths, community facilities, child-care facilities - the sorts of things that some developers put in and some do not and some councils want and some do not. Clearly, if you had an outlined development plan as part of your subdivision plan, you could zero it down to another level and say that these are the specific facilities, this is the cost, it will be done by doing this and it then gets ticked off as part of the subdivision process.

Mr Campbell: If a good developer is doing his job properly, he will provide those facilities in any event.

The CHAIRMAN: The problem we have is that through this process it appears clear that good developers will do this anyway. It is trying to get everyone up to that level that is the hard part, because some will try to bypass all the needs. Others will go overboard and provide miles too much, and some councils do not want the facilities that have been given to them because it is too expensive to keep going.

Mr Mudford: The level of that infrastructure agreement would be up to the developer and the local authority to determine by agreement.

The CHAIRMAN: By agreement and then ticked off by the Planning Commission, because it signs off on the subdivision. Of course, all those agreements are subject to appeal because it is in the planning process of subdivision.

Mr Mudford: Will the level of infrastructure that is to be provided in a locality be linked to the amount of contribution that each development would contribute? I do not see how you will relate the two. If there is a standard cost per lot as a contribution and you are then negotiating with the council to deliver what might be a reasonably substantial level of infrastructure, that does not match the development levy.

The CHAIRMAN: There needs to be some agreement for those people who are providing over and above the standards, and that needs to be negotiated between the councils. I am not sure how that will work in reality, and we need to think about that more clearly before we come up with some recommendations. I understand where you are coming from. That is the problem; do you get a credit?

Mr Campbell: In preparing for today I did a hypothetical development scenario, which we would like to go through. We believe that developers will be forced to pass any additional cost on to the marketplace. This certainly has been the case in Sydney. Basically, we have to maintain our margins to stay in business, and we would not obtain finance if we could not maintain our margins to fund these projects. As a public company, obviously we are under pressure to provide an adequate return to shareholders. I have looked at an example in Armadale, which I think you all have a copy of. The left-hand side is a feasibility on a per lot basis -

Ms J.A. RADISICH: Is this in New South Wales?

Mr Campbell: Good question. No, this is in Armadale in Perth.

The CHAIRMAN: You have spelt it incorrectly.

Mr Campbell: You can see where I come from; I apologise. This is a hypothetical case in Armadale in Perth on a per lot basis. If we are selling a lot today for $75 000, take off selling expenses and then costs - these are rounded out and are the industry norm - a developer would look at a 15 per cent return at a profit of $9 500. If, in the hypothetical case, a $10 000 infrastructure levy is levied on a per lot basis, to maintain the same 15 per cent return, the revenue of that lot would have to increase by 17.5 per cent, or $13 000, to maintain the margin. Otherwise, we would find that we would probably go out of business. Sydney is your best case study, and I am sure that you have been diligent and examined what is happening in Sydney. Since Sydney has put on infrastructure levies of between $30 000 and $50 000, depending on which municipality it is, land values have skyrocketed and affordability has become the main issue. Land prices have not gone down. Obviously there are a number of factors involved, but the facts are that land prices in Sydney have never been more expensive. When the GST was imposed on the unit-apartment market, in which you pay for a supply, for the first 12 months or so it had difficulty. Since the GST was introduced in June 2000, developers have been able to maintain their margins and pass the whole GST on to the end consumer.

[3.15 pm]

There is no evidence to suggest that an infrastructure levy in Australia will not be passed on to the end consumer. Given that affordability is a major issue nationally, which I am sure you are aware of with our current borrowing levels and as land prices have basically doubled since 1996, we believe that this would be a substantial imposition on the industry and would impact on affordability; it would push our first home buyers further out on the urban fringe, because that is where they will have to buy, or it could potentially create poverty.

Ms J.A. RADISICH: That is why they need social services on the fringe.

The CHAIRMAN: We are certainly not talking about $10 000 a lot; we are talking about $1 000 or $2 000 a lot. The numbers are not as dramatic as indicated here.

Mr Campbell: Sure. As I said, with respect Mr Chair, this is a hypothetical example.

The CHAIRMAN: I understand that. We would not support a figure anywhere near those numbers.

Mr Campbell: This was just to demonstrate the impact it would have on the top line as opposed to the bottom line.

The CHAIRMAN: That is understood.

Mr Campbell: Thank you for the opportunity.

The CHAIRMAN: Not a problem. Is there anything else you want to tell us about development?

Mr Mudford: Keep it going.

The CHAIRMAN: We want it to keep going. It is going well. The problem is that the councils are screaming that they cannot afford to keep up with you because you are going too quickly. That is the drama.

Mr Mudford: That is the pressure; growing infrastructure, growing population and a shrinking availability of land.

The CHAIRMAN: Interestingly enough it is the inland councils, not those on the coast, that have a problem. Four or five different areas are going at the same time and that is creating a problem, because they cannot keep up. There must be some other way of doing this. That also goes for the Government, not just the councils.

Mr Campbell: The Government is a developer itself. Mr Chair, you talked about soft infrastructure and social infrastructure. My understanding is that there is a distinction between them. There is economic infrastructure, which we refer to as trunk services - that is, utilities etc - then there is social infrastructure, which relates more to local communities and their needs.

The CHAIRMAN: That is what we are talking about with social infrastructure.

Mr Campbell: Is that what we are talking about, for the record?

The CHAIRMAN: Yes; social infrastructure.

Mr Campbell: Okay. That was certainly not my understanding from reading the advice I received on it. I thought it was more economic infrastructure.

The CHAIRMAN: We are looking at that as well as part of the equation. They seem to be fairly well delineated in the evidence we have received so far. The Water Corporation already gives you a dispensation; you pay only 40 per cent of the capital cost. Unless you want to make a particular comment on that about whether it should be lower or higher, there appears to be clear-cut guidelines in place already. We touched on the fact that there is no provision for things such as transport; for example, railway lines and those other things that Sydney has done with its transport levy. At this stage we have not formed a view on whether that should be in the equation. If you have a view on that, obviously you could share that with us. Some developers are willing to make a contribution to that sort of infrastructure if they got it tomorrow. The problem is, who pays in the interim?

Mr Mudford: That is our concern. Once the prospect of developer contributions becomes part of the system and that we contribute for one aspect of development, in 10 years there will be another half dozen infrastructure contributions that people will have thought of along the way. Where does it stop? That is the concern we have.

The CHAIRMAN: Without a change or anything, the planning commission could actually do that to you already. It could say that from now on you will make a standard contribution for X, Y and Z, as it did for underground power and sewerage. When I was Mayor of Bayswater, we introduced the underground power policy. You did not get a subdivision with underground power. Every developer screamed, saying that it would chuck everybody onto the street in terms of affordability. Now it is a standard condition. That is how it develops. It did not need a change in legislation, it just needed the commission to decide that as of tomorrow, this is a condition of subdivision.

Mr Mudford: I guess that is something we need to be aware of, and that it does not perpetuate itself as an ever-increasing cost.

Mr Cooper: That is the fear. The Perth parking levy is an obvious example of an infrastructure levy that was introduced at a fee of about $70 a bay. It is now at $180, not a matter of three or four years later. You can understand why people -

The CHAIRMAN: Come on guys. In Melbourne it is $15 000. A levy of $180 is a bonus.

Mr Cooper: I think there is actually only one other levy, which is in Sydney. I think it is $840 in some areas. At the end of the day, property must attract capital. We live in an international economy. Money is digitised. We must attract investment to Western Australia if we want jobs and investment, but if we continually attack one industry, ultimately it cannot continue to attract the capital it currently attracts if those sorts of cost imposts are continually put on it.

The CHAIRMAN: We do not want to attack you. We want you to keep making plenty of money for us. The other issue we did not talk about was infill. Mirvac Fini is into infill in a big way.

Mr Campbell: Yes.

The CHAIRMAN: The argument has been put that when multi-storey apartments are built, there is no contribution to the local infrastructure even though all of a sudden there are 10 times the number of people there. Have you guys got any examples of where you have done this in other cities and the level of contribution you have made to the infrastructure of the local community?

Mr Campbell: It really depends on the local government area in which you are in. Let us take our development at Burswood as an example, which is adjacent to Burswood Casino. There is certainly already a lot of infrastructure within close proximity to that development. What we want to ensure with that development is that our community will be self-sufficient. We will build the infrastructure, such as parks. We are providing 30 per cent more open space than is required under WAPC guidelines. We are providing a local corner store. We are also currently looking at a major health club, gymnasium and swimming pool at the moment. We may look at a child-care facility, depending on need. We do not think we will put a child-care facility in there, because the last one we built in a similar development went broke because obviously it was earmarked towards the empty nester market and they tend to like to look after their grandchildren and do not put them in a child-care centre. We try to be self-sufficient in those cases. When we have not been self-sufficient, in some cases we have provided funds to a pool of money to go into a better facility within the community.

Ms J.A. RADISICH: All the stuff you have just described is the above and beyond stuff. What about more people who will need to catch the bus, drive along the roads and use the library? Where is the contribution for that?

Mr Campbell: There is none at the moment. Take Burswood, for example. We would like to think that we are increasing the rate base by 15 per cent in the town. The State Government will get $35 million to $40 million in stamp duty revenue. That will contribute to it significantly.

The CHAIRMAN: Okay. Then you get the councils that came in this morning and said that the increase in density means that for their drainage systems alone they must come up with $3 million to take the extra capacity.

Mr Mudford: That is Water Corporation headworks charges.

The CHAIRMAN: No, this is the council system.

Mr J.L. BRADSHAW: The councils said they have to pay it.

The CHAIRMAN: It is money they must come up with. We would not expect them to put that money in for the benefit of X, Y or Z developer, which will get all the profits.

Mr Campbell: Whoever has negotiated with that council has done pretty well, because if we have ever had to augment an existing council system, I know who has paid for that - the developer has paid.

The CHAIRMAN: That is what we understood. We did not think it was appropriate for the council to pick up those costs. The problem comes not so much from Mirvac Fini doing a big, stand-alone development, but when, for example, such as in my area, 5 000 lots that were zoned R15 or R17 go to R30. Every block now becomes three blocks instead of one, so 5 000 goes to 15 000. How do you generate the capacity to pay for those infrastructure costs and how will that be shared with the council?

Mr Campbell: That is a good point. If they are jumping on the back of or putting pressure on existing infrastructure and cannot demonstrate, as we have done at Burswood, that they will be self-sufficient in providing that infrastructure, I think they should pay.

The CHAIRMAN: That is exactly right. It is not a big sum of money, because there are so many -

Mr Campbell: So many are contributing to it.

The CHAIRMAN: Exactly, so it is not a great part of the equation for what comes out in the end.

Mr Campbell: What you need to ensure is that, provided there is a clear plan of the needs of that local government area - they have done research into it and they need child-care facilities, a swimming pool etc - there is certainty of where that money will go and when it will be spent, so that it is all accounted for. What has happened in the east is that the money has not been spent wisely. It has sat in the coffers. Developers have come along and decided to take councils' section 94 plans to court and have often won and have torn them to shreds.

The CHAIRMAN: That is the other side of the equation. It needs to be done properly. We need to look at how that is done in the recommendations.

Mr Mudford: There needs to be some sort of commitment in the agreement towards ongoing maintenance of any of the facilities and infrastructure that are put in place, particularly with regard to parks and soft landscaping and that sort of stuff.

The CHAIRMAN: We assume that that is the council's responsibility.

Mr Mudford: Yes. That sometimes needs to be spelt out.

The CHAIRMAN: We were having that discussion earlier, because sometimes the standards are so high that the cost is enormous to keep it to that standard. I know when Maylands happened in my council in those days, the extra cost was $300 000 a year just to maintain the nice green grass that the developer had put in. That was obviously great for selling, but it was a nightmare for ongoing maintenance.

Mr Campbell: I have a solution for that. If you introduced community title legislation in Western Australia, which has been implemented in New South Wales and Queensland and works very well - I will use Burswood as an example again - all the parks would not be handed over to the Town of Victoria Park. They would be part of the community plan. All the people who live there would pay to contribute to the maintenance of that park.

The CHAIRMAN: That is over and above council rates?

Mr Campbell: Yes. They may get some differential rating - lowering of council rates - because they do not need those services, but essentially the local community contributes to a fund that maintains all their parks and services to their requirements.

The CHAIRMAN: Okay. We did not come across that.

Ms J.A. RADISICH: Yes, in Queensland.

Mr Campbell: There are numerous examples in New South Wales. I have done a presentation to one of the committees. I have done so many committees. It is now on the UDIA's agenda to try to get it implemented here. It is a great system.

The CHAIRMAN: If you have some information on that, we would be happy to receive it from you to put into our submissions and processes.

Mr Campbell: I would be delighted to.

The CHAIRMAN: Thank you very much. Is there anything else you want to add? Thank you for being so frank with us. If we need to talk to you again in the future, we will ask you back.

Committee adjourned at 3.26 pm