



COMMONWEALTH OF AUSTRALIA

# Official Committee Hansard

## SENATE

FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES  
COMMITTEE

**Reference: Disposal of Defence properties**

FRIDAY, 16 FEBRUARY 2001

MELBOURNE

BY AUTHORITY OF THE SENATE

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**SENATE**  
**FOREIGN AFFAIRS, DEFENCE AND TRADE REFERENCES COMMITTEE**  
**Friday, 16 February 2001**

**Members:** Senator Hogg (*Chair*), Senator Sandy Macdonald (*Deputy Chair*), Senators Bourne, Hutchins, Lightfoot and West

**Participating members:** Senators Abetz, Bolkus, Boswell, Brown, Calvert, Chapman, Cook, Coonan, Crane, Eggleston, Faulkner, Ferguson, Ferris, Forshaw, Gibbs, Gibson, Harradine, Harris, Knowles, Mason, McGauran, Murphy, Payne, Tchen, Tierney and Watson

**Senators in attendance:** Senators Hogg and West

**Terms of reference for the inquiry:**

For inquiry into and report on:

1. The importance and value of the Western Australian Army Museum and the Fremantle Artillery Barracks.
2. Whether the Fremantle Artillery Barracks is the most appropriate and suitable location for the Museum.
3. The reason for the disposal of the Fremantle Artillery Barracks.
4. The disposal of the Fremantle Artillery Barracks and the probity of the disposal process.
5. How the Australian Defence Organisation (ADO) decides whether property is surplus to requirements and the management or disposal of surplus property.
6. Sale and lease-back of ADO property.
7. Any other matter related to the above-mentioned issues.

## **WITNESSES**

<b>APLIN, Mr Gregory Malcomson, Director, Economic Development and Asset Management, City of Wyndham.....</b>	<b>424</b>
<b>GILLARD, Ms Julia, Federal Member for Lalor.....</b>	<b>434</b>
<b>GREENWOOD, Mr Kerin Brice, Past Vice-President, Royal Victorian Aero Club .....</b>	<b>460</b>
<b>GREY, Mr Colin Laurence, Chairman, Point Cook Airfield Preservation Action Group.....</b>	<b>409</b>
<b>HAYES, Mr Martyn Robert Edward, Program Director, Aviation Services, RMIT University.....</b>	<b>460</b>
<b>LANGENBACHER, Mrs Patricia Elizabeth, Group Member, Save the Afton Street Hill Group.....</b>	<b>450</b>
<b>LEE, Ms Jennifer Margaret, Member, Save the Afton Street Hill; Member, Friends of the Maribyrnong Valley .....</b>	<b>450</b>
<b>LESLIE, Mr Ian Murdoch, Member, Point Cook Airfield Preservation Action Group.....</b>	<b>409</b>
<b>McMAHON, Mr Pol, Project Manager, Save the Afton Hill; Member, Friends of the Maribyrnong Valley .....</b>	<b>450</b>
<b>McNAMARA, Mr Kenneth John, Chief Executive Officer, Hobsons Bay City Council .....</b>	<b>424</b>
<b>PILKINGTON, Mr Mark Ritchard, Secretary, Point Cook Airfield Preservation Action Group.....</b>	<b>409</b>
<b>SCULLY, Air Vice Marshal Peter John, RAAF (Retd); Chairman, Point Cook Operations Ltd .....</b>	<b>434</b>

**Committee met at 1.08 p.m.****GREY, Mr Colin Laurence, Chairman, Point Cook Airfield Preservation Action Group****LESLIE, Mr Ian Murdoch, Member, Point Cook Airfield Preservation Action Group****PILKINGTON, Mr Mark Ritchard, Secretary, Point Cook Airfield Preservation Action Group**

**CHAIR**—I declare open this public meeting of the Senate Foreign Affairs Defence and Trade References Committee, which is inquiring into the disposal of Defence properties. Senator Lightfoot was due to be here today, but unfortunately due to another commitment he cannot be here and a subcommittee has been formed so that these proceedings can continue. This morning the committee visited Point Cook to familiarise itself with the site.

I welcome representatives of the Point Cook Airfield Preservation Action Group. The committee prefers all evidence to be given in public, but if you at any stage wish to give any part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before it a written submission from the Point Cook Preservation Action Group. Are there any additions or alterations you would like to make to your submission at this stage?

**Mr Pilkington**—No, at this stage we are satisfied with what has been provided already.

**CHAIR**—I now invite you to make an opening statement and we will proceed to questions.

**Mr Grey**—Essentially the submission is in support of the preservation of the Point Cook aerodrome as an operational aerodrome and a heritage precinct. I am somewhat disturbed that we are even talking about this project. The site is such that I think it should be an automatic inclusion, or we believe that it should be an automatic inclusion, as part of the Natural Heritage Estate. Just as other places such as the War Memorial and the Shrine of Remembrance are sacred sites with regard to our military history, so too should Point Cook be considered one of our most sacred sites. It is an internationally important aviation heritage site and a very, very important national heritage site. It carries history from 1913 through to the 1960s. It is probably the only site left in the world where you can drive through the front gate. It goes all the way from 1960 through the Korean War, the Second World War, right back to the First World War and the initial flying boat operations of Australian aviation. I think that is probably as much as I need to say.

**Mr Pilkington**—Certainly our view is that there have been ample efforts in the past to resolve the future of Point Cook. The consultative committee in 1993 headed by Mr Jones, the local Werribee member of parliament, examined the issue and had public consultation. There has been acknowledgment by the Australian Heritage Commission and Heritage Victoria of the site's national significance. DEO, or the defence department, has undertaken conservation studies in the past, such as the Alan Lovell report in 1993. Its conservation and heritage status seem to be more than well documented and understood. We really believe that there should be a long-term management plan for this site, rather than the uncertainty that has sat over it since 1993.

We think it is an important state asset not only because of the heritage tourism opportunity and operating airfield assets that it provides to the state of Victoria but also because of its national significance as the location of the first military flight and a number of national flights of significance. The first east-west crossing by Kingsford-Smith left from Point Cook; the first north-south crossing of the continent left from Point Cook; the first international flight to the Solomon Islands by Sir Dickie Williams left from Point Cook; the first attempt for air-sea rescue left from Point Cook and the first circumnavigation of the continent left from Point Cook—so there is a number of important national flights. It was also the birth of army flying and naval flying in 1921 with the Naval Air Service.

We think there should be a plan to retain it in government or public ownership in some form. We support the proposal put forward by the Point Cook Operations Ltd company to take over the site and run it as a not-for-profit heritage tourism park with commercial compatible tenants operating in various buildings.

**Mr Leslie**—I would just like to add two points. Firstly, in our submission we referred to two studies on airfields. There has been another recently completed for the Victorian state government called the Ambidji report and that also refers to the importance of Point Cook as an important infrastructure in the airfields around Port Phillip.

**CHAIR**—Could you just clarify the name of that report. We have a copy.

**Mr Pilkington**—This is a spare copy if you would like to have it.

**Mr Leslie**—The second point I would like to make is that, in the reference to the history of Point Cook, it is worth noting that Point Cook was also the place where TAA really had its origins as far as their pilot training was concerned. Their first flight went from Laverton but their training in 1946 when TAA was established was at Point Cook. I think that is quite an important historical matter.

**CHAIR**—For the benefit of the committee could you just shed a bit more light on the significance of the Ambidji report.

**Mr Pilkington**—Yes. The Ambidji report was commissioned by the Department of State Development and Infrastructure, as I understand it, here in Victoria. It was produced over the latter half of last year, 2000, and studies the impact of the closure of Essendon on the remaining airfield infrastructure. It looks at the growth of general aviation and commercial operations from Moorabbin Airport, taking into account the capacity of Melbourne Airport or Tullamarine to absorb some of those activities. It looks at the growth of general and recreational flying needs, pilot training in the Melbourne Basin and identifies that, if Essendon were to close, Point Cook would need to absorb something like 150,000 aircraft movements over the next 20 years on a per annum basis. Even without Essendon closing, it would probably move to something like 80,000 movements over the next 20 years.

It is a very important airfield infrastructure to be made available. This was identified back in the Port Phillip airport study in 1993 and also the consultative committee report into the future of RAAF Williams in 1993. There seems to have been ongoing acknowledgment of the airfield's operational importance to civil aviation needs. In fact, that has been amplified by the

closure of Laverton which was considered in 1993 to be an option for taking up some of the growth in general aviation.

We certainly contend that it is an important operational airfield regardless of its heritage importance. But obviously as Australia's oldest airfield and, as we can determine, the oldest operational airfield left in the world—it is certainly the only one with an intact seaplane facility left—it will grow in importance as we celebrate the centenary of man's first flight in 2003 and then the site's own celebrations for its centenary in 2013.

**CHAIR**—I notice that the report—xi in the preface of the executive summary—has a chart which refers to the current traffic levels. It seems that Point Cook has 45,000 movements per annum as opposed to Avalon with 18,500 and Essendon with 72,000 movements per annum. It also seems from that chart that Point Cook and Avalon are not being used to their fullest capacity.

**Mr Pilkington**—That is probably true when you look at the design of Avalon. But Avalon is a single runway operation and is dedicated to aerospace and heavy aircraft pilot training. You have got Japanese airlines and Australian airlines using that for major airline carrier pilot training and you cannot really mix small light aircraft and small charter aircraft in with those circuits. The defence forces aircraft are taken in there for maintenance and overhaul as well. In addition, the runway configurations do not suit the operation of light aircraft, so Avalon has not been seen as a base for general aviation.

Certainly Point Cook is running below its capacity, but that may be a symptom of the current operation by the defence department. They have not seen it as being a licensed aerodrome and have not encouraged increases in general aviation operations. There is a large number of pilot training movements associated with that number there relating to RMIT, the Royal Vic Aero Club and the Point Cook Aero Club. Other operators who were leasing hangars and operating aircraft had difficulties complying with the DEO airfield use agreements and hangar agreements. A number of people left in early 2000 due to complications with those contracts.

**CHAIR**—What were the complications to the contracts?

**Mr Pilkington**—It related to the fees, charges and commercial requirements of the contracts. DEO were levying a fairly large charge per aircraft to be based at Point Cook. To bring itinerant aircraft in you were being charged \$250 and forced to sign a 30-page contract to operate an aircraft from the site with large public indemnity insurances, in some cases beyond what the insurance market was willing to provide to aviation operators. I believe since that time they have reviewed that requirement, but at that time it made it difficult for a large number of private operators to remain on the site and about 12 aircraft departed and two hangar leases were lost to the site. So we certainly contend that a landlord who is sympathetic to both the heritage and the growth of it as an operating airport could certainly increase the numbers of operations significantly due to its close proximity to the CBD.

**CHAIR**—Before I give my colleague Senator West an opportunity to ask some questions, I have just a couple of issues in respect of your organisation. Is the Preservation Action Group involved in any way in the planning for the future operation of the site or is it purely a group that has been formed to protect the integrity of the site as a base?

**Mr Pilkington**—The group itself is an umbrella group of a number of other organisations which formed together in December 1998. It included representatives from the National Trust, the Sport Aircraft Association, the Antique Aircraft Association, Australian Warbirds Association and other heritage groups. As such it has no ambition to exist as a formal entity and run the site. It is basically simply a lobby group wanting to raise this issue and have it resolved. So the action group would see itself ceasing to exist once the future of Point Cook is resolved. Those parent organisations, however, have expressed interest in operating at Point Cook or being involved at Point Cook. The action group have endorsed the Point Cook Operations Ltd proposal as the most viable solution we see for the future long-term strategy at Point Cook.

**CHAIR**—Does the action group have a view as to part of the site being sold and used for other purposes other than an air force base if the places of significant heritage values there are protected? Is there any problem with that?

**Mr Pilkington**—DEO in early discussions considered that the runways themselves were not part of the heritage property and held the view that you could basically put picket fences around a number of significantly listed buildings and let the entire remainder of the property be redeveloped for residential or other non-aviation development. Our view would be that certainly the older parts of the airfield, including the runways, the southern tarmac and the Cole Street/Stutt Street area where the early homesteads and old sergeants' mess are, should all be retained in some type of conservation plan. We think that compatible commercial development can be undertaken. There are proposals for some of the RAAF college area to be used for other education purposes by organisations such as RMIT and we think that could be accommodated. We would prefer to see a single entity manage the entire site through tenancy than actually carve off land for redevelopment because there is a risk that you will end up with incompatible developments which will put pressure on not only the heritage operation of aircraft by the RAAF museum but also commercial or private recreational pilots and will eventually put pressure on the airfield to close.

**Senator WEST**—You said that there were complications with the DEOs airfield and use agreements and you mentioned \$250. Was that \$250 per landing and takeoff?

**Mr Pilkington**—No. They proposed a charge of \$250 to enter this agreement. Basically there is a \$950 fee if you wanted to have an annual contract; it is \$250 for an itinerant user. In other words, if you are an aircraft operator from Ballarat who wanted just to stage through Point Cook on his way to Tasmania, Sale or some other location, the intention was that you would fax down your request before you left, you would receive a 30-page document, you would write a cheque for \$250 and sign away your public indemnity to the Department of Defence. There were excessive public liability obligations placed on these aircraft operators and the effect of it was to cause people not to wish to operate at Point Cook.

I believe the department have reviewed that. They were taking the view that they were not in the business of running a civilian airfield and were not therefore looking to encourage civilian operations. We think that under a different management structure, where someone was trying to amplify and develop the civilian recreational pilot use of the airfield, it would certainly cater for a lot more movements than it currently does.

**Senator WEST**—Do you have a copy of that 30-page document?

**Mr Pilkington**—I do not have it with me but I could submit it to the committee.

**Senator WEST**—Thank you. That would be quite interesting. There are 300-odd hectares in this establishment. If it was disposed of, do you think the whole of the area is heritage?

**Mr Pilkington**—Basically the issues with Point Cook are, firstly, that you have very sensitive environmental coastal issues which are a concern to environmental groups either from the marine park that adjoins it on the coastline or the Ramsar treaty wetlands. The airfield itself obviously is part of the heritage precinct as well as the southern tarmac area which is to the south of the coast. The area surrounding the parade ground and the early married quarters and sergeants' mess are very critical to retain the fabric of the site. Redevelopment in the north-east residential area where many of the houses are perhaps only five, six or 10 years old in any case could be considered. There is some vacant land in behind the RAAF college.

The other element of our submission was to reconsider the relocation of the RAAF college in any case. We think this close proximity to Laverton and Melbourne CBD provides Defence with a suitable site for the RAAF college. Given the intrinsic link with Point Cook, it seems a logical place to be doing your officer training and your instilling of traditions of the service, especially with the RAAF museum being on the site. We are certainly concerned at the idea of spending \$60 million to relocate the RAAF college elsewhere when there appears to be purpose-built and more than suitable buildings on the site.

Our concern would be to see any carving up of property or removal of land being limited to this north-eastern corner. We are very concerned about any intent to try and put residential development on the runways. We think that destroys the ambience of the site. We also understand that the Port Phillip conservation council are very concerned about any residential development being considered near what is known as the RAAF lake or Point Cook salt lake. As you may be aware, a metropolitan park is part of the Ramsar treaty for wetlands for bird life over here and to the north-east of the site. I think I have been calling this the north east. I am sorry, it is the north-west corner that I am referring to for possible redevelopment.

**Senator WEST**—At what stage do you think the disposal process is at?

**Mr Pilkington**—It is very hard to tell because for any of the letters we send to the department we basically get a standard reply saying that when and if they decide to dispose of it they will come and consult. We have had those letters for the last two years, so we have had no indication by correspondence that they are proceeding with any type of consultation or disposal process. However, we believe that they have already been speaking to developers and encouraging developer interest in the site and we think that they are moving towards disposal if not in 2001 certainly in 2002.

**Senator WEST**—What leads you to think that they have already commenced some discussions or sounding out of developers?

**Mr Pilkington**—Just the various comments that we have heard back through other parties in relation to the DEO's comments about strong developer interest in the site. We were contacted independently by a developer who suggested that we should work together with that developer for a common outcome. We did not explore that, but it was obvious that they were looking to

put together a bid to pursue the site if it was tendered out for sale. Certainly we assume that the role of the DEO disposal group is to go out and measure that to market interest.

**Senator WEST**—How long do you think this has been going on?

**Mr Pilkington**—Explorations of the disposal?

**Senator WEST**—Yes.

**Mr Pilkington**—It is our view, based on discussions or the approach we had 18 months ago, that the DEO must have been at least being approached. If it was not soliciting the inquiries, it obviously had approaches from interested parties.

**Mr Grey**—Through another group I work with we approached the Air Force to establish a memorial site on Point Cook as early as 1994. After some discussion we were eventually approved a site by the Air Force and we actually began planning to construct the memorial. But in 1997 the DEO came to a meeting and stated, ‘The aerodrome is going to be disposed of. If you build anything here we will dispose of it as an asset of the aerodrome. Having done that, it would be up to you to then work some sort of commercial arrangement where you could lease your memorial back.’ Our president at the time asked, ‘We are going to spend X millions of dollars building a memorial and you are going to sell it back to us?’ The DEO said, ‘Yes, we are here to fulfil our terms of reference which is to make as much money as we can for the disposal of Defence sites.’ Of course the memorial did not go ahead and we went away.

**Senator WEST**—What other consultation is taking place with that organisation and with other organisations that make up your peak body?

**Mr Grey**—We went back to the DEO for the best part of 18 months and had meetings. The DEO’s stance has been the same: ‘Our charter is to dispose of Point Cook and that is what we will do.’ We have never heard anything else other than that from Point Cook. Whether that was this other group or as part of the preservation group, their stance has not changed.

**Senator WEST**—Do they give you any indication as to how they are going to dispose of it—what form that disposal should take, what the end result should be?

**Mr Grey**—No. They did indicate that the Air Force was saying that they were greatly concerned about the loss of various heritage sites on the aerodrome. But the DEO reiterated virtually every time we talked with them that their mandate was to get the maximum dollar value for the property. They never explained to us or they never indicated how they would arrive at that maximum dollar resale value.

**Senator WEST**—Would you classify the discussions that took place as consultation? Had you been told what was going on?

**Mr Grey**—Essentially we called a meeting between ourselves, the Royal Australian Air Force and the DEO to try and clarify what was happening.

**CHAIR**—When was that?

**Mr Grey**—In July 1997.

**Senator WEST**—And you initiated them?

**Mr Grey**—I initiated the meetings because, as I say, we—the Air Force and us—had come to an arrangement which everybody was quite happy with. But we received an indication from the DEO that they would not allow it. So we then called a meeting to try and understand what the position was. Air Force and ourselves were told quite bluntly that the DEO's position was, 'We will sell the aerodrome.' That came as quite a shock to the Air Force themselves. They understood that their position as far as the RAAF museum was concerned was quite safe—permanent, no problem. The DEO told them that that was not the case.

**CHAIR**—Could I just interrupt there. There is a term that they use 'surplus to the needs of Defence' as opposed to 'dispose of the property'. If it is surplus to the needs of Defence, that does not necessarily imply that it will be disposed of by sale. There could be other things that might happen with the property under those circumstances. You are quite sure in your own mind that the view that you had formed in your discussions with DEO were that the property was going to be disposed of for sale?

**Mr Grey**—Yes.

**CHAIR**—Did they indicate the reason? Was it for housing?

**Mr Grey**—They did not say. All they said was that their requirement was they would sell it for the best possible market value. When we pursued the question about building a memorial, we were told quite bluntly that it would be sold as an asset of the aerodrome and we would have to come to some commercial arrangement with the developer regarding our continuation at Point Cook. That is almost a direct quote.

**Senator WEST**—Did you get any indication what they thought the future of the RAAF museum might be or the memorial that is already there for the original corps?

**Mr Grey**—The RAAF museum were left with very much the same proposition we were: 'You have to make sure that you stay there. It is not our responsibility'—that is, it is not the DEO's responsibility—'The RAAF museum is there. It can be moved. If it stays at Point Cook it has to be realised that it will have to stay there as a commercial reality.' We were both basically told exactly the same thing. We asked a question about the Air Force AFC memorials and the officers' quarters and they felt that Air Force's concern about those sites would probably be considered.

**CHAIR**—Was this all at the one meeting in July 1997?

**Mr Grey**—Yes. It turned out to be quite a long meeting.

**CHAIR**—Can you recall who was present at that meeting?

**Mr Grey**—The Officer Commanding RAAF Williams; the Director of the RAAF museum; the President, Secretary and the Coordinator of the B24 Liberator Memorial Fund; the DEO; Kitty Marmanidis—and she brought a legal representative with her.

**CHAIR**—Who were the representatives from DEO?

**Mr Grey**—I cannot remember the legal representatives name. Kitty Marmanidis was the manager at RAAF Williams at the time. She was in a position where she could not barter, bargain or come to a compromise. We were told quite clearly that her responsibilities were the disposal of the aerodrome and that, if we were to stay there, we would have to come to some commercial reality with the developer.

**CHAIR**—Were there any other meetings post that meeting in July 1997?

**Mr Grey**—Yes. We have had two or three since then. All of those were held at RAAF Williams. On occasion they were with the Air Commodore, chief of training officer commanding the airbase. Kitty also attended another one. In all of these meetings the RAAF museum, the Air Force, ourselves and DEO were all represented.

**CHAIR**—Have you got the sequence of those meetings for us? You can take it on notice, but can you give us some idea?

**Mr Grey**—I have got notes.

**CHAIR**—Yes, I am sure you would. It would be interesting to find out when the meetings were held and who was in attendance. If I can just go back to the July 1997 meeting. You said that meeting was initiated by yourselves with RAAF and DEO present.

**Mr Grey**—That is right.

**CHAIR**—Prior to that were there any approaches? Was your organisation in existence prior to July 1997?

**Mr Grey**—Not the preservation group, the other group, the B24 Memorial Fund.

**CHAIR**—So it was more of a forerunner?

**Mr Grey**—No. It was a separate group altogether. I just happened to be involved with both of them.

**Mr Pilkington**—It was one of the groups that was involved in the areas of concern, which led to the action group forming. It was those types of feedback as to the future of Point Cook that led to the concern of all of those groups.

**Mr Grey**—Until the July meeting, I did not even know the DEO existed. They literally just appeared. We had been in discussion with the Air Force for three years. We had a site made over to us. We were actually there to dig the first foundations. It was all done—the job was

finished—then all of a sudden I got a fax from the DEO, who said that we could not do it. I thought, ‘Well, who is the DEO? What have they got to do with it?’ That was the first I knew of them. When I spoke with Kitty the first time on the phone she said, ‘No, that is not going to happen. You cannot do that. We are going to dispose of it,’ so I started sending faxes to Canberra and Melbourne to try to get a meeting together to establish what the real position was.

**CHAIR**—Prior to that July meeting in 1997, you were involved with the B24 Memorial Group. Does that group still exist today?

**Mr Grey**—Absolutely.

**CHAIR**—Prior to the July 1997 date were there any attempts by DEO to talk with the group about the future of Point Cook?

**Mr Grey**—No.

**CHAIR**—Was there an attempt by DEO to talk with any of those groups that might now be associated with your preservation action group?

**Mr Pilkington**—There were no approaches by DEO. It is only in response to any letters we send that we get any communication from the department at all. To give you some more background to a group that is not directly represented by the action group, the private owners of aircraft, who were being requested to sign these hangar agreements and airfield use agreements, had a similar result to the B24—they were dealing with what was originally the property group of Department of Defence over hangar leases.

When the DEO was created, it totally turned around the basis of the agreements. I understand it went for 12 to 18 months while contracts were in draft format. In November 1999 those users were given an ultimatum to sign these final agreements or depart from the site, and these new charges for hangar rentals and airfield use agreements were rendered. The DEO put a blanket ban on people flying their aircraft from Point Cook until they signed the agreements. Senator Abetz, the parliamentary secretary, intervened and allowed that ban to be removed, with a meeting with the users to be arranged for, I think, 18 January 2000 to try to resolve that. DEO refused to enter into agreements any longer than 12 months on the basis that they intended to dispose of the site. So they have constantly advised their intention to dispose and made it clear that the policy was not to retain the site in government ownership—that it would be disposed of. But there has been no invitation to submit alternative views to them.

**CHAIR**—Have there been any proposals—any drawings, any plans—as to what they might do with the site? We have seen a number of DEO sites that they are planning to dispose of. Some have reached the stage where there are different plans laid out as to how they will subdivide, and so on. There are other sites that are at a very early stage—where there is still some sort of consultative process—and there are other sites where there is no consultation whatsoever. So we are running into a range of approaches by DEO.

**Mr Pilkington**—In this particular site there has been no indication of planning documents; it has simply been a stated intention that the site will be disposed of in the 2002-03 financial year. But, based on the communication to airport operators that they would only be signing a 12-

month contract in 1999, with no undertaking of a renewal opportunity, there was a strong feeling that that pointed to a late 2001-02 sale process. Certainly we understand DEO's response to Heritage Victoria pending registration also pointed out that same interest to move quickly to seek registrations of interest in 2001. There has been no communication to us of those plans and processes. This is just anecdotal information we have been given by other parties.

**CHAIR**—You do not know how many high rise buildings, commercial developments, canals, golf courses or anything else they want to put there?

**Mr Pilkington**—No. Only that they saw that the airport land was not a heritage registered piece of property. They saw it as being great value for redevelopment for residential purposes.

**Senator WEST**—Is the National Trust part of your group?

**Mr Pilkington**—Yes, we have representatives from the National Trust on the group.

**Senator WEST**—Has the National Trust had any communication and consultation with DEO?

**Mr Grey**—National Trust have applied for listings and have actually approved listings of the buildings and various other pieces of the site, including the runways. However, because it is Commonwealth land, they cannot do anything. The day after the site is disposed of, they are in a position to do something. National Trust have supported us in every way they can—they are represented on the committee, and they lobby as the National Trust. But, to all intents and purposes, at this time they cannot do anything concrete until the buildings and the site are actually disposed of.

**Mr Pilkington**—There are two levels to the National Trust. The National Trust of Victoria is part of the action group. I believe they have written letters to the department and received the same dorothy dix statement that, when and if the Department decides what it is doing, it will come out with consultation. But there has been no indication of timing or process. I understand the Australian Council of National Trusts and the national conservation manager, Dr Susan Marsden, has submitted a paper to your committee. In discussions with her, when we visited Canberra and met with the minister in September 2000, she had been waiting over 12 months for DEO to respond to an Australian Council of National Trusts conservation paper on a number of Defence properties. In response to her letters, I believe DEO had advised that they did not have a conservation plan.

**CHAIR**—Did you say DEO did not have a conservation plan?

**Mr Pilkington**—In looking at her submission that has already been made to you, and it is on the web site, I believe she actually quotes that in her letter to you. Yet, in 1998 when we formed up, DEO actually had a web site, and this is a download of their conservation management plan that was available in the public domain at that time.

**CHAIR**—For the *Hansard* record could you identify the document by reading the title?

**Mr Pilkington**—Yes. It is *Annex D. Heritage management: the conservation management plan*. The document says:

The table of contents with descriptions provided below provides an indication of the topics and issues to be covered in conservation management plans.

**CHAIR**—Are you prepared to table that for us? We can get it photocopied.

**Mr Pilkington**—Yes, you can have that copy. I also understand, in response to a specific question, the Australian Council of National Trusts were told that there is not a conservation plan for Point Cook yet Defence commissioned Allan Lovell Consultants to do a study in 1993, which included a complete management plan for a number of the heritage buildings. We cannot comment conclusively, but we do not see any evidence of ongoing maintenance strategies by DEO for the site. It appears to us that they are simply waiting to dispose of the site and are not doing regular maintenance.

I have one particular instance of that. Operation of the airfield at night relies on the runway lights to be maintained. One operator was told that the runway lights were going to be decommissioned because of failure of the equipment and the high cost of \$50,000 to repair those lights. That tenant took it upon himself to repair the lights, and it took a \$50 globe to repair the lights. Whether it is a lack of competence and expertise in managing civilian airfields that creates this problem, or whether it is a preference not to do maintenance because of cost, the inherent result is that Point Cook is an unattractive site for civilian operators. Perhaps the closing of it is a fait accompli or supports the wishes of some to see it closed.

**CHAIR**—Can I infer from your comments that, given the unused capacity of Point Cook and given that there seems to be an attempt to ‘scare off’ the operators, nonetheless it still has a reasonable part and role to play in aviation in this area?

**Mr Pilkington**—The recent report by Ambidji explains that, if Point Cook were to close in 20 years’ time, Essendon would have to be kept open and would be operating at 150,000 movements per annum, which is virtually double the number of movements it currently takes. Obviously there would be strong residential concern to that situation, as there is already.

With the closure of Essendon, Point Cook will certainly be pushed to its 100,000 movements and we certainly support its retention in its current configuration. We are not keen to see it become a Moorabbin Airport, so congested that the heritage ambience and the historic aircraft operations at the RAAF museum are hindered. We think that a middle level sized airfield is the right size, so long as land site developments, such as film studios and education facilities, can fund and maintain the maintenance of the heritage buildings. We understand the PCOL business plan relies more on tenancy revenues than aircraft operations to make the site viable.

**Senator WEST**—Do you know if there has been an environmental assessment done to check for contamination?

**Mr Pilkington**—We understand that there have been studies done by PCOL. I believe PCOL are making a submission and obviously we cannot speak in detail on that, but we understand

anecdotally that there is a large number of contaminants that have been buried over the years in what is known as the tip area from—

**CHAIR**—Which we had the pleasure of seeing this morning, I might add. It was the highlight of our tour.

**Mr Pilkington**—Yes. In fact, I know someone privately, an ex-RAAF fire officer, and he said, ‘You would be horrified what we drag down there and set fire to.’ There are other contaminants that were just buried. On the south-western corner of the property there is an extensive rifle range which obviously would have lead contamination and over the years there have been fuel dumps and things like that. So it does have a large contaminant area which, if undisturbed, obviously does not create an environmental problem. But those same areas of land would be the prime real estate for a residential redevelopment you would assume. That also causes friction with the coastal plains retention for water birds, as well as the abutment of the marine park that has been gazetted by the state government.

**Senator WEST**—Birds and aircraft are not very good combinations: birds usually want to fly in the same airspace but not at the same speed. You were talking about water birds being nearby. Is that a problem with that strip?

**Mr Pilkington**—I guess the only evidence against that expectation is the fact that Point Cook has operated there successfully since 1913 and certainly probably from the 1920s has had an extensive number of movements. Even as late as 1990 when FTS was operating the movements were up in the order of 80 to 100,000 and there was not a significant bird strike problem. These are mainly wandering, wading birds. They are not seagulls and large flocks of birds in the air; they are mainly nesting and wading in the wetlands. From what we understand—this is certainly the information we have seen from the Port Philip Conservation Council—they actually support the retention of the airfield as a way of maintaining both a buffer and a wide open space to encourage the retention of those migratory birds.

**Mr Leslie**—Birds are a particular problem in places like Sydney, but that is because they are seagulls. The construction of the airport stopped their normal path across that area and the runway interfered with them, but I do not believe there is a problem at Point Cook.

**CHAIR**—Does your group comprise any local residents groups at all?

**Mr Pilkington**—No, we predominantly are aviation or heritage related.

**CHAIR**—Would you have knowledge though if the local community had been involved in consultations with Defence, either through the RAAF or DEO, as to the future of the site?

**Mr Pilkington**—Certainly we are sure that there have been no public meetings or approaches to any community bodies. We ran a petition in 1999 where we wrote to all community bodies, such as Lions Clubs and progress associations in the Wyndham area. We received over 10,000 signatures which were submitted to federal parliament in June 1999. We have had no letters from those bodies, even though they do not attend our meetings, indicating that there has been any direct consultation and certainly we monitor local papers and activities for any indication of

commentary on or about Point Cook. There have been no public meetings called by Defence as to the future of Point Cook.

**CHAIR**—I have two other issues on the consultation side. You mentioned at one stage that you had met with, I think, the parliamentary secretary, Senator Abetz last year.

**Mr Pilkington**—No, we actually met with the Minister Moore.

**CHAIR**—My second question is: could you detail for me any consultation with either the then parliamentary secretary, Senator Abetz, or the then minister, Minister Moore, that your group have had.

**Mr Pilkington**—We have written a number of letters over the last 2½ years of operation of the action group to Senator Abetz or Minister Moore in relation to the future of Point Cook and received fairly standard letters back saying that the future of Point Cook is yet undecided; however, it is intended to be disposed of or not retained in government ownership and there will be consultation with local groups, including ourselves, when and if that happens. So our only meeting or face-to-face communication has been with Minister Moore in September 2000. We had a discussion on the future of Point Cook and we indicated our support for the Point Cook operations proposal for a 99-year lease with the ongoing maintenance of the buildings and operation of the site being removed from Defence's obligations. He certainly indicated that his major concern personally was the high cost of annual operations, the recurrent expenditure, and that, if someone could come up with a proposal which removed the recurrent expenditure of the heritage site from Defence's obligations, he would be very happy to consider it. He personally did not indicate to us any requirement to achieve a certain dollar income value for the property. However, he did reiterate the intention that the government did not want to retain ownership of it.

**CHAIR**—Have you written to the new minister?

**Mr Pilkington**—No. We had planned to write to the new minister in February but we have been taken up with other matters. We are seeking to write to him and also hopefully to meet with him at his electoral office here in Melbourne.

**CHAIR**—He might be a bit more sympathetic being a Victorian, rather than having to deal with a Queenslander.

**Mr Pilkington**—We would certainly hope so. We believe that there has been a change in attitude by Defence towards the heritage of Point Cook and we think there is a lot of sympathy for the retention of it. Earlier on we were told that the RAAF college would definitely be moving. We sense that that is being reviewed. We do not know the outcome of that review but we think that is being re-looked at. Certainly we got a view from Minister Moore that he was very sympathetic to any proposals that could retain the site without it being an ongoing cost to Defence.

**CHAIR**—Lastly, the issue that you raised very early in your opening statement was the question of government or public ownership. Where does the preference lie? When you say

‘government’, do you mean state government, federal government or local government? When you say ‘public ownership’, what do you mean by public ownership?

**Mr Pilkington**—What we term as public ownership is one of those three. Our preference would probably be to see it remain in Commonwealth hands given that its heritage is predominantly a Commonwealth matter, being military aviation, army aviation, naval aviation. However, we would see state government to be an excellent substitute for Commonwealth ownership. If the site was to be returned back to state government, I think there is a similar proposal over some naval land in Sydney harbour being returned back to the New South Wales state parks department. In the US there is a process whereby national heritage sites are transferred to the national parks process. So perhaps some of these sites should be considered as heritage parks rather than natural flora and fauna parks and handed over for administration to the national parks department. We still see the problem then as being: who is responsible for maintaining and generating cash flows to fund the site? We actually prefer the idea of a not-for-profit entity taking on the ownership responsibilities—perhaps not having title but having some long-term strategy covered by a 99-year lease to allow them to develop relationships to get a full return on the site.

**CHAIR**—Have you had any involvement other than with DEO, within Defence, of any unit which might look after the historical side of Defence properties at all?

**Mr Pilkington**—No. We have obviously dealt with the RAAF locally. We have dealt with the commanding officer of RAAF Base Williams and also with the RAAF museum in understanding what they and PCOL are proposing to do for the site. We have not had any other entity present itself as a heritage planning body within Defence, other than DEO.

**CHAIR**—It is just that when this committee first met to look at the Artillery Barracks in Fremantle, we did deal with the Army Historical Unit that looks after many of the Army museums. I was just wondering if there was a similar unit within the RAAF and if you had had any dealings with it, but obviously you know of no such division within the RAAF.

**Mr Pilkington**—There is a RAAF historical section that operates out of Russell Offices which is more a records management group. They do not have responsibility for any historical sites or assets, as far as I understand. The only other comparable group is the RAAF museum itself which DEO considers to be a tenant of the site and therefore not in control of any property or land assets. As I understand it today, the RAAF museum only has control of the physical museum buildings. It has no role in the heritage protection or long-term planning of the site at this stage. That seemed to be the sole jurisdiction of DEO.

**CHAIR**—Let us just go back to the heritage management document you tendered before. I think you said that this was currently on the site.

**Mr Pilkington**—No. The DEO website closed around the middle of 1999. A particular HTML reference point just does not open or does not have any information on it, and to date I have not found a new reference site in the Defence website that relates to DEO.

**CHAIR**—The fairly extensive set of things that come under the conservation management plan which was on the then DEO site, and which you were able to access, have not to your

knowledge been undertaken by DEO? The reason I am putting this on the record is that we will have DEO appear before us. They are obviously here today reading the *Hansard*. The purpose of putting these questions down is to get them when they appear before us to answer what happened to this document, firstly. Secondly, have they addressed the issues that were on their own site?

**Mr Pilkington**—Yes. The reason I brought that up with me today was that, in reading a submission by the Australian Council of National Trusts that is on your own website, they specifically refer to comments by DEO that there is not a conservation plan for Point Cook, which concerned me given the existence of the Alan Lovell report in 1993, which not only assessed the site's significance in light of the Register of the National Estate but also had a maintenance and management plan for all of the significant buildings.

So that, coupled with this conservation management plan, would lead you to expect the DEO to have a current and operating maintenance plan for the assets at Point Cook. Yet that is not what we perceived when we listen to and look at what is being done on the site. We perceive it is more just a caretaker role waiting for the disposal of the site, avoiding spending any money. Certainly that was the inference given to the hangar operators and airfield operators: that DEO did not consider it was running a licensed airfield and did not want to maintain these assets that are not required or are surplus to Defence requirements and therefore cannot guarantee maintaining them in any useable condition.

**CHAIR**—I have no further questions. We are grateful for the presentation that you have given the committee today. Undoubtedly it will give DEO a number of issues to answer when they respond to us in a few weeks time.

[2.04 p.m.]

**APLIN, Mr Gregory Malcomson, Director, Economic Development and Asset Management, City of Wyndham**

**McNAMARA, Mr Kenneth John, Chief Executive Officer, Hobsons Bay City Council**

**CHAIR**—I welcome representatives of the Wyndham City Council and Hobsons Bay City Council. The committee prefers all evidence to be given in public, but should you at any stage wish to give any part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before a written submission from the Wyndham City Council. Are there any alterations or additions you would like to make to the submission at this stage?

**Mr McNamara**—No, Mr Chairman.

**CHAIR**—I now invite each of you to make an opening statement and then we will proceed to questions. It is a fairly relaxed atmosphere, so you are welcome to refer to anything that has happened previously today.

**Mr McNamara**—Thanks, Mr Chairman. Just to put it into context, Point Cook airbase is relatively close to the Hobsons Bay municipal boundary, but slightly outside of it. The municipal boundary of Hobsons Bay is approximately halfway down Point Cook Road. Any operations that are conducted at Point Cook probably impact on the Hobsons Bay ratepayers.

Our stance on Point Cook is very similar to the Wyndham Council submission. We have a very close liaison with our regional councils in the western sector of Melbourne. The reason why we support Point Cook being retained as an operating airbase is the fact that it is one of the first military airports established in the world and was in fact the birthplace of the RAAF. It operates as a RAAF museum and thus has tourist potential.

Council, along with its neighbouring municipalities, is very strongly into promoting regional tourism. We have a number of tourist facilities in our own particular municipality, including the historic port of Williamstown and science works and that strongly complements Weribee Park and also the RAAF museum. From that viewpoint, it is part of an overall fabric in the region.

The site is used for film-making. My council strongly promotes film-making in the municipality and we have a number of film companies operating in and around, particularly, the Williamstown part of the municipality. They use Point Cook as a base. A number of ratepayers use the base for recreational flying and we see that as an important recreational pursuit that the council supports.

Finally, the aircraft uses are compatible with the existing access into the area. In today's world, the fact that the council reaffirms its view that the base could take up to 100,000 aircraft movements a year, I suppose is indicative of the fact that the council is very supportive of its use. Despite the fact that there is increasing residential activity in the Point Cook corridor we

continue to support the base for recreational flying. In fact, if it is a viable RAAF museum, we see flying as very much an integral part of those museum activities.

The other issue, which the committee might like to take into account is that the Point Cook corridor at the moment suffers from a number of accessibility issues, being the Point Cook Road off the—

**CHAIR**—If I could just interrupt you. For the sake of both Senator West and myself, who are not from here, could you define for us what you mean by the Point Cook corridor?

**Mr McNamara**—The Point Cook corridor is an area south of the Princes Freeway, bounding the city of Wyndham and the city of Hobsons Bay. It consists of a number of residential subdivisions in both municipalities. It is an expanding area as far as residential use of land is concerned, and I am sure Greg Aplin will comment further on what the land use is now. There is rapid expansion in the Point Cook area. Point Cook Road, which is the access road to the base itself, forms the primary means of access from the Princes Freeway, which serves Melbourne and Geelong, into that particular area. So with that, Mr Chairman, I do not think I can add much more.

**Mr Aplin**—Perhaps I ought to thank Ken for setting the scene so well. I think Ken was right in suggesting that our two councils have a very similar attitude to the ongoing use of Point Cook and our positions in that regard. On the matter of what constitutes the Point Cook corridor I will leave this plan. This is a concept plan for the corridor.

**CHAIR**—Could you identify it for the purpose of *Hansard* such that we can admit it into evidence.

**Mr Aplin**—Yes, certainly. It is referred to as the Point Cook Concept Plan 2000 and this plan has been on exhibition for some time now. It is off exhibition and will go to the Victorian Civil Administrative Tribunal panel, I think some time in March. It is a matter that some community groups and the defence department also have an interest in and are going to provide comments to that particular panel. It does define the geographic boundary as well.

Having said that, and having thanked Ken, I think the context remarks that I want to make before going over some of the points in our brief submission are that the Wyndham Council and the Werribee Council before that, have had an abiding interest in the future of both RAAF bases at Laverton and Point Cook, for some time and most especially since the Cooksey report came out in the mid to late 1980s. At that time the then member for Lalor, the Hon. Barry Jones, headed up a committee of which we were an active participant and, indeed, funded a dedicated staff member. I think that attests to Werribee's view of the worth in the urban fabric, as Ken mentioned, and in the community fabric of Werribee, Wyndham, the Laverton areas and Hobsons Bay. Indeed, it goes well beyond municipal boundaries. It does not know those boundaries.

More recently, the now member for Lalor has convened a community committee—and I know Julia is in the room, and I will not steal her thunder other than to say that both Hobsons Bay and Wyndham are active participants in that group, as are the preservation action group that

you have just heard from. And that again attests to the fact that we have an abiding interest in what happens on this base and indeed how it happens.

I want to now turn my attention to the 'how'. While we have not been actively involved and closely involved in the disposal of Defence assets, we wish we were. We believe we ought to be. We recognise that the properties are in the control of the Commonwealth but when they are sold to private persons or given to a group, which might be a consortium of community groups and some Commonwealth retention or whatever the combination might be, there is a chance—and certainly in the instance of the private situation—where we will become the responsible planning authority. And at that stage we are in reactive mode. If the sale occurs before we know—we do not know the conditions upon which the sale was made. We do not know the promises that were made to the prospective and then actual purchasers, and they come to us with certain expectations which in the normal course of events, we may not be able to provide or, worse still, we feel obliged to provide that which in the ordinary course of events we would not have provided. There is an equity issue in how we deal with other owners in the area.

In trying to find out more about sales, because we have been caught with an issue of some warehousing on the Laverton base in the past, we have had to initiate the discussions with the Defence Estate Organisation. We are mindful of the fact that we are not the client in the relationship, but we believe that we are a very interested party and that we ought to be consulted at an early time, not when it is too late for us to give some meaningful input.

I have touched on the planning issues. They really are important to us. At the moment Commonwealth property is a black hole in essence in the state planning scheme. We do not have control in the sense that it is in the Commonwealth's ownership, but when it does revert and it is incorporated that is a time consuming task. It is not something that can be done overnight and we would like to be able to plan for that. We are indeed the planning authority and we would like to exercise that planning role.

On the management issue, we support the notion in this instance and Point Cook—if I can go specifically to Point Cook—of the PCOL proposal. We have not seen the final business plan, so we cannot comment on the viability of the proposal, but the notion of a group that are dedicated to the position statements that Hobsons Bay and Wyndham have in relation to it. Retention of the heritage, taking up the tourism and other economic development opportunities, developing a film industry in the Melbourne/Port Phillip region and keeping the active airfield to allow the RAAF museum to differentiate itself from other static aviation museums seems to us to be a good idea. And if there is a group of people who have the skills and the energy to do that, we support that. We are very fortunate I think, Ken, that we have got those sort of people in our communities.

I think the last thing that I want to talk about is our relationship with the RAAF. It possibly does not bear too much on the disposal issue, but the relationship that we, as a Werribee and now Wyndham community, have had with the RAAF, whether it be the officer commanding or in the emergency services area when there is a flood or a fire or a playground to be built or whatever it is, has been absolutely first class. That is part of our interest. They are an important part of our community, and it is for that reason that we would like to be involved in major changes to the facilities that they currently occupy. Thank you.

**Senator WEST**—This Point Cook Concept Plan is a local structure plan under the provisions of the Minister's Direction No 2. Can you explain to me what that means, please? Sorry, I am not from Victoria.

**Mr Aplin**—That is okay. I hope I do justice to the question. The Minister's Direction No. 2 is a broad brush approach to addressing the growth that is inevitably going to occur in the Point Cook corridor and elsewhere—Hobsons Bay has a growing population; Wyndham has a growing population. In the early 1990s we sat down with the municipalities, the utility authorities and the like and determined where we would, if you like, park the people and the households that were inevitably going to form in the Melbourne metropolitan area and our share of that formation. Point Cook was one of three growth areas in the Werribee area—one going out to the north-east and one going out to the north-west and this one to the south-east. So it just forms part of that overall growth area planned—that master plan for taking up the growth in that area.

**Senator WEST**—But, if Point Cook was to be sold and become residential, because we are talking 300-odd hectares here, presumably not all of it is suitable for housing, but a fair swag of it could well be if you just levelled it and let it go. We are talking a significant amount of housing and significant population increase potentially, aren't we?

**Mr Aplin**—Yes, we certainly are. If you take the hypothetical view that it might become residential, it could accommodate a great number of houses. It would be an adjunct to an area that has already expanded which is shown as the current and future areas in that plan, but it would also put paid to a number of other issues—we have more strategies, Senator, than just parking people in homes. The coastline there is very fragile, vastly different to the east side of Port Phillip Bay where there is a bayside road, a bit of tea-tree, and houses. We are fortunate to have a reasonably pristine coastal environment—indeed, so pristine that birds migrate out of north-east Asia on an annual basis and come here during their winter. They are covered by Ramsar treaties as a rule. We would like to, for a whole lot of reasons, preserve that opportunity too, and we think the base rather than housing. We can put the housing in a number of different locations in both our municipalities if that were the only issue.

**Senator WEST**—You have obviously spent quite a deal of time, effort, energy and resources in drawing up this plan.

**Mr Aplin**—An enormous amount, Senator, yes.

**Senator WEST**—And that does not take any cognisance of any potential housing built on the Point Cook RAAF Base site?

**Mr Aplin**—Indeed, it assumes the opposite. It assumes that it will be an active airfield and the southern boundary of the area that will be available for housing is predicated on the aircraft movements there plus a little buffer so that we do not replicate the problems that have occurred elsewhere.

**Senator WEST**—Yes, I can see that—KSA. You have never been given any indications or any approaches from DEO or anyone in the defence organisation, be it civilian or military, that your plan would have to change in a very short period of time potentially?

**Mr Aplin**—None whatsoever. As I mentioned when I was explaining about the concept plan, the Department of Defence will provide a commentary at the panel hearing, and we imagine that it is only to contest the spatial extent of the noise contours on the ground. So if they are consistent, it may be indeed to say that it ought to go further north and therefore any residential encroachment from the south should be avoided.

**Senator WEST**—So how long has the process of drawing up this concept plan been under way?

**Mr Aplin**—The minister's direction was probably early 1990s, that is not to say that we have been actively working on it since that time. The market that has first manifested itself in Hobsons Bay and gone progressively south and a bit to the east since then forces you into a position—because indeed there is actually a small Defence property that has been rezoned. It went through a normal process of planning in that time as well, which was the non-directional beacon site for planes coming into Laverton and Point Cook. It got to a point where we said we now have to plan very carefully to how it goes further. So to answer your question, it has probably been for the last two years that we have put essentially three-quarters of an officer on it full time.

**Senator WEST**—It also mentions the year 1996 here and earlier than that, 1990. So it has been going on for a while.

**Mr Aplin**—Yes, it has.

**Senator WEST**—How well publicised is this planning process? Would you expect an organisation like Defence that actually has land on the point to be aware of it?

**Mr Aplin**—They are abundantly aware of it. It was widely publicised because it has to be under statutory requirements, but we also forced the issue a bit in having two public meetings with people at Point Cook and at the Werribee South area. They were as well attended as any meeting other than when we have the threat of a toxic dump. They are as well attended as any planning meeting in my 18-year history at Werribee and now Wyndham.

**Senator WEST**—What input or what actions has DEO or Defence of any sort taken to contribute to this concept plan? Did they have any communications, whatever?

**Mr Aplin**—Senator, none that I am directly aware of other than I know there has been to-ing and fro-ing in relation to the ANEFs, but I am not aware of any other positive input. I may be doing them a disservice because I was not that officer that prepared that plan, but I think had there been considerable contact I would have been aware of it.

**CHAIR**—Were Defence invited?

**Mr Aplin**—They were invited to the public meetings.

**CHAIR**—No. Were they invited to participate in the plan?

**Mr Aplin**—They were. Mr Chairman, I imagine that they would have been—

**CHAIR**—Could you take that on notice and check it for us because that is important to know whether or not they were invited to participate as opposed to whether or not they turned up to a public meeting.

**Mr Aplin**—Yes, I understand that, Mr Chairman.

**Senator WEST**—Because if they are not consulting with you and you are not consulting with them that is a two-way street. I am interested to know what Hobsons Bay and Wyndham—

**Mr Aplin**—I will be disappointed and a bit surprised if they were not actually formally notified of the existence of that concept plan. That will be the test.

**CHAIR**—Well, if there is any formal correspondence and you are prepared to table that for the benefit of the committee, we would be pleased to have that as well.

**Senator WEST**—Also some indication of how much public notice there was, so that even if they were not formally notified, short of living under a rock, people would have known that this process was under way, because that is important. So if Point Cook is sold, basically this concept plan almost gets thrown out of the window because it has a total change to your planning for that particular region.

**Mr Aplin**—That is right, Senator. It would only be prudent to have a re-looked at plan. We held off the exhibition of that plan because of some issues with Defence, but it came at a time when the development was encroaching to the point where there would be supply and demand issues—that is to say, the supply was drying up and the demand was still robust—and we wanted to take seriously our planning role in that regard. So we took the punt, if you like, and put that out on exhibition.

**CHAIR**—Could I just clarify something? That land is currently not zoned anything else other than for Commonwealth purposes; is that correct?

**Mr Aplin**—That is correct.

**CHAIR**—Let us assume it is sold lock, stock and barrel. What does the zoning then become once it goes into private use?

**Mr Aplin**—That is a very good question, and I have not got the answer to that. It is a question we ask on every occasion: what is the underlying zoning of the area? The reality is there was a Commonwealth explosives site in our municipality, a square mile, and in that Direction No. 2, it was to become residential but we were probably talking 50-odd years out. For a number of reasons, which I will not go into now, it was clear that we had to give it some urban zoning many decades earlier than we normally would have, and we had to struggle with what is the underlying zoning. It was surrounded by rural. It was going to become residential and there was industrial to the east. We ended up picking an industrial zone because it also had a major prison being constructed opposite it, and that was one of the things that precipitated the decision.

Here you would have to say that it is surrounded by rural land essentially. So if you were just taking it as theoretical undertaking, it has got a rural underlying zone, and you would have to mount a strong argument why that was not the case. Why would you build an urban environment, even though it has many of those characteristics now, separated by a kilometre or two to the nearest—it generates issues for us in social dislocation, what services do we provide and at what cost do they pay an extra rate for the privilege of being there and the like. So it is logical to assume it into what is around it and let the natural market forces take place. But I would not imagine that that is being anticipated.

**CHAIR**—I am sorry; I am a bit confused. Who actually does the zoning of it once it is sold? Does your council or does the state government?

**Mr Aplin**—I think the practical reality is that the Commonwealth would put pressure on—would discuss with the state what the—

**CHAIR**—I think I liked your earlier words.

**Mr Aplin**—Discuss with the state about what the zoning might become and then we would be the third party to that discussion but probably after the initial discussion.

**CHAIR**—You would cop the backwash.

**Mr Aplin**—Yes, perhaps Ken has had an experience. I am not saying—

**CHAIR**—That is a hint thrown out. Have you experienced something like that in your municipality?

**Mr McNamara**—Well, we have and we haven't. Normally, having some experience, I would suggest to you that the state would do the zoning.

**CHAIR**—So in your municipality, Wyndham, with this block of Defence land which they could on sell, you would have no say over the zoning. Is there any appeal that you can make over the zoning? Is there a land court or—

**Mr Aplin**—No.

**CHAIR**—No, right.

**Mr Aplin**—It is a state zoning.

**CHAIR**—And the state minister here says, 'We will zone it as residential.' So you could find that you went from having an open site there to having say 3,000—I do not know how many thousand homes you would fit there, but 2,500 or 3,000.

**Mr Aplin**—In 300 hectares, yes—about 14 a hectare we would put, normal densities.

**CHAIR**—How many houses would you fit on the site?

**Mr Aplin**—Three thousand by 14—4,000.

**CHAIR**—Four thousand.

**Mr Aplin**—Yes, potentially, at normal density.

**CHAIR**—So you could find—and I am not trying to put down the heritage values—yourself with a major development in your city council without any consultation whatsoever by Defence other than they had maybe consulted with the state government to have a preliminary understanding as to what the land would be zoned? Is that the process?

**Mr Aplin**—If the state minister did that, that is not his normal method of operation. He would normally consult. But I agree with Ken, he has the power to do it, yes.

**CHAIR**—Yes, all right. So the reality is at the end of the day that if the minister wants to remain the minister and the government want to remain the government, they just cannot go around acting like a pack of cowboys.

**Mr Aplin**—And there is no evidence to suggest that they would.

**CHAIR**—That that would happen.

**Mr Aplin**—Yes.

**CHAIR**—All right. But nonetheless, if they did zone it, they did protect some of it and did zone some of it for a reasonable concentration of residential, what sort of impact would that have on the budget of your council in terms of the infrastructure costs and so on? Any? Or would you see most of that coming out of the developer?

**Mr Aplin**—Well, some do. We have some capacity, but only some—so certainly not 100 per cent. There would be substantial extra pressure put on Point Cook Road which goes through both Hobsons Bay and Wyndham municipalities and has a tortuous route onto the Princes Freeway. The answer to your question, Senator, is that there would be a negative impact. While many people would say, if my arithmetic was right, 4,000 houses would be a nice addition to our rate base, the reality is that I think that the costs for servicing that community would exceed the revenues that we could reasonably expect to impose upon that community, and the developer—adding up the developer as well. We would have infrastructure impositions and we would have ongoing recurrent budget implications.

**Mr McNamara**—I would certainly agree with that, Mr Chairman.

**Senator WEST**—Yes, 4,000-odd houses has big implications in terms of education, health services, not to mention sewerage provision, electricity provision, water provision—and I am looking at roads, how you get there—policing.

**Mr McNamara**—We are, from a Hobsons Bay perspective, further north than Point Cook. We are in the process now of developing community facilities. I know Greg's municipality at

Wyndham are too in their newer areas, so that is a challenge we have before us at the moment without any added imposition of more housing.

**Senator WEST**—What sort of size developments are going ahead in both the councils at present? Anything this size, or are they smaller?

**Mr McNamara**—Smaller. You might comment, Greg, on Westminster. Homestead Run is probably one of our major subdivisions down in that corridor, and that would be probably 400 allotments. So that is a fairly big development as far as we are concerned.

**Senator WEST**—And we are talking 10 times that potentially?

**Mr McNamara**—That is right, yes.

**Mr Aplin**—However, if you get a chance to read that document, I think that we anticipate that there could be a population of in the tens of thousands and I think it is close to 50,000; it is a while since I have read it. That is what I am saying residential is of no real interest to us in a sense. We have got something that is different for our communities and the region and another housing estate, albeit near the water, is not anything that is sufficiently different to be of real community appeal. But it is a sizeable population that is going to grow in that community and it is like a juggernaut. You would not want to stand 500 metres away from the nearest bulldozer and be there in six months' time because you will be knocked over by it.

**Senator WEST**—So you have got plenty of greenfield sites with no contamination risks, no standing existing structures that you would have to demolish or dispose of which would presumably make it easier to develop.

**Mr Aplin**—That is right, and there is so much more that that site offers to the community and the region and the nation, in our view, than houses.

**Senator WEST**—Okay, thanks.

**CHAIR**—When we visited New South Wales, we went to Penrith in western Sydney and they were very aggressive about the development of Defence sites out in their area. They maintained that they do not want solely residential, but they are looking for residential and also other aspects to the development of the site that would create employment. They do not want to remain as a living satellite for jobs that are in Parramatta or in central Sydney somewhere. Does your council have a similar view? When you are looking at site development, you do not simply look at purely and simply residential issues but you look at job development opportunities as well?

**Mr Aplin**—Our positions are congruent in the sense I think. We do see that there are economic development opportunities, there are tourism opportunities—all of which are again very relevant to what is happening in the rest of the region. To answer your question, yes, we look at the whole approach. It is a disappointment to Wyndham Council that we retain about 30 per cent of our people in jobs within the municipality, we lose about 65 per cent east towards Melbourne and we have two or three per cent heading towards Geelong. We would like to up

the 30. We agree enough to want to up the 30 and keep the economy of Wyndham as robust as possible.

**CHAIR**—Right, so you have had no discussions with Defence therefore as to how you see your city council area developing, nor would I think from what I have heard that there have been any discussions with Hobsons either the impact that Defence might have in their minds as to the development of that site or its impact on the community.

**Mr Aplin**—We have sent our position statements—and again they are very similar in intent and in wording—to the previous minister. So he is well aware of the positions and vision we have for the Point Cook base.

**Mr McNamara**—And we have done the same. Just to comment further, both municipalities have a number of areas within their boundaries that are developed for commercial and industrial uses. This particular corridor is not in that vein, apart from the tourism and heritage issues that are on the base itself. In other words, there is no industry in the rest of the Point Cook corridor.

**CHAIR**—Do you think there is any obligation on the part of Defence estate to talk to your organisations at all?

**Mr McNamara**—I would certainly hope so from our viewpoint.

**Mr Aplin**—I agree. If it is not set down anywhere in a formal procedure, there is a strong moral obligation to talk to the people who are going to take over some interest and control of the site once they have disposed of it.

**CHAIR**—For clarification purposes, I need to know whether the Wyndham Council has the authority to zone the Point Cook site as it feels fit once it has been sold? Can you say it should be zoned open area?

**Mr Aplin**—We can make recommendations. The zoning in the state of Victoria is a state planning instrument, so in the end the responsibility lies with the minister. The normal process is that if you had a bit of land that was rural—and let us assume the underlying zoning is rural—and someone said that it is now opportune for commercial interests—be it right in the market and required—they would put a case. We would consider that case and make a recommendation to the minister. So our job is to consider it at the local level, because we should have the most intimate knowledge of what is going on in that community, and make a recommendation to the state minister.

**Mr McNamara**—The normal procedure is that the minister would then appoint an expert panel to hear submissions about the rezoning, and that panel would in turn report to both the municipality and to the minister.

**CHAIR**—I have no further questions. Thank you very much for appearing before the committee. We appreciate the time you have put in and the evidence that you have put before the committee today. Thank you very much.

[2.49 p.m.]

**GILLARD, Ms Julia, Federal Member for Lalor**

**SCULLY, Air Vice Marshal Peter John, RAAF (Retired); Chairman, Point Cook Operations Ltd**

**CHAIR**—I now welcome to this hearing Ms Julia Gillard, the federal member for Lalor, whose electorate includes Point Cook, and Air Vice Marshal Scully, retired, of Point Cook Operations Ltd. The committee prefers all evidence be given in public, but should you at any stage wish to give any part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before it a written submission from Ms Gillard. Are there any alterations or additions you would like to make to your submission at this stage?

**Ms Gillard**—No.

**CHAIR**—We also have a submission from Point Cook Operations Ltd. Do you wish to make any alterations or additions to that submission at this stage?

**Air Vice Marshal Scully**—No, thanks.

**CHAIR**—I should point out that Ms Gillard is not the first federal member to have an interest in DEO affairs. Mr Gary Hardgrave, the Liberal member for Moreton, appeared before the committee in Brisbane; he had issues that he needed to raise in respect of a site at Dudley Street at Annerley in Brisbane. We welcome our colleagues from the other chamber in federal parliament. You can make an opening statement if you wish and then we will ask some questions.

**Ms Gillard**—I wanted to just speak briefly about my perspective on the Point Cook issue as the federal representative. I have become convinced, given my contact with the users of the Point Cook air base, about the heritage argument. I think that has been put to you well today by the Preservation Action Group, and I will not go through the heritage argument again save to say that this year we are celebrating the 80th anniversary of the Air Force and that it seems to me that if we let the Point Cook site be broken up—parts of it used for incompatible purposes and the heritage generally lost—in 20 years time when we are celebrating the 100th anniversary of the Air Force there will be people who will say, ‘Why did they ever let that happen?’ I think the heritage argument is a compelling one and one that we owe to the future of Australia to pay due regard to.

Having said that, I would like to briefly go to some other arguments about Point Cook. My electorate is a sizeable one for an urban electorate. It is about 650 square kilometres; it is outer metropolitan; it is an urban growth corridor. Whilst I could take you in great detail to the statistics, I will not do so. But the statistics do show that the population in that area is younger than average, they are buying homes greater than average, educational achievement tends to be lower than the state average and incomes are lower than the state average. So what we have is a

community mainly made up of young families who are struggling to pay off mortgages and build their lives.

The one thing the community does not lack for is new housing estates. The growth out in the Point Cook corridor and the Wyndham corridor generally is very intensive housing development. But what we do lack for is other sorts of infrastructure. And it seems to me that one of the great advantages of the Point Cook site is that it gives us an opportunity to provide something to a region which has historically been a disadvantaged region and which still faces great challenges, particularly the challenge of urban growth. We are faced with an opportunity to give a region like that a real asset, and in particular a real asset that would strengthen our tourism potential through the further development of the RAAF museum. That has the possibility of strengthening our educational infrastructure, because one of the proposals in terms of the PCOL plan is that RMIT, which runs flight training out of Point Cook, might deepen its involvement in Point Cook if it could get security for the long term.

The only tertiary education infrastructure in my electorate at the moment is a small campus of VUT at Werribee, so we lack educational infrastructure. Of course, there would be room on the site for other opportunities that would provide some sort of economic engagement for the local community. I am a very big supporter of the PCOL plan because I think it gives us an opportunity to do the right thing by the heritage of the Air Force, but to also do the right thing for my region by providing an educational tourist precinct which would provide jobs and opportunities for people who live and work in the vicinity of Lalor.

In terms of the infrastructure that would be available at Point Cook, we also should not forget the film studio. There is a horizon tank there, one of three in the world, and any development along those lines would also be welcome within a broader plan for the Point Cook area.

In terms of the community view of what should happen with Point Cook, the Preservation Action Group that has spoken to you today has done a lot of community campaigning and very successfully collected a petition with more than 10,000 signatures. In conjunction with Point Cook Operations Ltd, I have leafleted the local area so people are aware of the Point Cook Operations Ltd plan. There has been widespread discussion of Point Cook and its future in the local newspapers and I am very much of the view that the local community supports Point Cook being used for tourism purposes, for aviation purposes, for educational purposes, and to structure the infrastructure of the region rather than simply being sold for commercial development, particularly housing development.

In the time I have been the federal member for Lalor I have tried to keep tabs on this debate by periodically speaking to the Defence Estate Organisation about what is happening with Point Cook. At an earlier point in time when I did speak to Defence Estate, particularly upon first being elected, it seemed to me very clear that Defence Estate's plan for the site was to carve out a small heritage precinct which took in the museum and some of the older hangars associated with the museum—that that would be marked as a heritage precinct which would have to be preserved, but that the rest of the site could be opened for sale. When I was initially briefed by Defence Estate, I put to them the possibility that the rest of the site could be sold—the airstrips closed, with no more aviation there, and the site sold for commercial purposes, housing purposes. The response I was getting at that point of time was that all of those options were open.

The only thing that Defence Estate would limit was the activity within the heritage precinct. It seems to me as the years have gone by that perhaps that position has shifted a little, but we are still very unclear on what is going to happen next with the Point Cook site. I was most recently briefed by the Defence Estate Organisation on 5 December last year by David French, who was the incoming assistant director of property. What he advised me at that stage was that the Defence Estate Organisation would await the outcome of what is being referred to as the Mather review. I will describe that in a second, but I was told it was awaiting the outcome of the Mather review before it made further decisions about the tendering for sale of the site.

The Mather review is a review being undertaken by Wing Commander Mather on behalf of the Air Force, with the Air Force having another look at what ongoing needs it might have for the Point Cook site. So the Air Force is taking a bit of a fresh look about whether or not it does need ongoing access to the Point Cook site. David French advised me that, subject to the recommendations of the Mather review, the Defence Estate Organisation would be in the business of seeking expressions of interest for the site with a view to then proceeding to a tender round during the coming months—during the course, I took it, of this calendar year.

I was in some ways heartened by that and in some ways disturbed by it. I am heartened that the Defence Estate Organisation is awaiting the outcome of the Mather review. I am disturbed by it though because I think we will lose the heritage argument and lose the opportunity for the region if this is simply put into a commercial tender track. I think there needs to be a broader view about how this site could be used and that at the end of the day the weighing up mechanism is not just a weighing up mechanism about who puts the most dollars on the table. I put that view very clearly to David French. It is a view that I have put in federal parliament. It is a view that I am on the record as being associated with, and it is clearly my view that the federal government ought to be giving very serious consideration to entering an arrangement with Point Cook Operations Ltd to allow them to manage the site on behalf of the community and the current users in a way that is compatible not only with the heritage of Point Cook but with the Commonwealth budget imperative in the sense that Point Cook Operations Ltd is in a position to take over the recurrent costs of the site. With those opening words, I will allow Point Cook Operations Ltd to actually describe the plan.

**CHAIR**—Just before you do, could I just get, for the sake of the record, a little bit of clarification about the Mather report? When was that commenced? Do you know?

**Ms Gillard**—Yes, it was late last year. I would have said November last year.

**CHAIR**—November last year. Do you know when it is due to be concluded by?

**Ms Gillard**—It was due to be completed early this year. The initial date given to me was late January. All I can assume is that it is taking a bit longer than was originally thought, because I am not aware that it has been completed, and certainly have not been advised of any outcomes.

**CHAIR**—All right. Do you know to whom Wing Commander Mather is reporting?

**Ms Gillard**—He was reporting within the Air Force, to Air Force Command.

**CHAIR**—To Air Force. It is not a report being generated for DEO?

**Ms Gillard**—No, it is not a report being generated for DEO; it was the Air Force assessing again what, if any, ongoing needs it had at Point Cook. It would be given to Air Force Command and, presumably, subject to them agreeing with it, it would then be given to Defence Estate Organisation, the Department of Defence proper.

**CHAIR**—And was there any undertaking that the outcome of this review would be made available publicly, to you or to the parliament?

**Ms Gillard**—I could not say whether it would be made available to the parliament, but it was my understanding that the stakeholders, if you like, who had expressed an interest in the Point Cook site and who had been consulted during the course of the Mather review would be advised of its outcomes.

**CHAIR**—Thank you.

**Air Vice Marshal Scully**—Mr Chairman, following the previous Minister for Defence's statement that Point Cook was surplus to requirements and was going to be disposed of, the present Chief of Air Force established a museum advisory committee to examine how the museum might best be managed in light of these new circumstances. That committee was very broadly based. It had museum professionals, an Air Force historian, the Australian Government Solicitor, Defence Estate Organisation, retired Air Force people, serving Air Force people and business people on board. That committee very quickly came to the view that the museum was just not viable when faced with unrestricted commercial development of the surrounding area at Point Cook. Firstly, the requirement for an airfield was absolutely essential; furthermore, the museum could not be developed adequately on the basis of just entry fees and sponsorship alone. That committee then very quickly turned its attention to the entire site, which we have now preferred to call the Point Cook heritage site. For all the reasons that the Point Cook Action Group and Julia have mentioned, the museum advisory committee very quickly realised that the first object was to preserve the entire site.

So the conclusion was really to establish a not for profit company which would endeavour to obtain a long-term lease of the site from the Commonwealth and a long-term loan of the collection from the Air Force, which would enable it to conduct commercial and entrepreneurial activities, which would in their turn continue to fund the maintenance and development of the site and the ongoing further development of the Air Force museum. During the Museum Advisory Board deliberations, the constitution of that company was drawn up by the Australian Government Solicitor, as was a draft lease arrangement and also a draft loan arrangement. The Museum Advisory Board agreed to those three documents before the board wound up; the company was then formed in October 1999.

The board, during its deliberations, also commissioned various studies by external experts into the viability of the proposals of the company acting in a commercial way to fund the site. These studies indicated that in fact the proposal was viable and that the proposal should proceed. Furthermore, because Defence Estate Organisation had maintained that they saw the value of the site at about \$20 million, that Museum Advisory Board also engaged external valuers to give an independent assessment of the value of the Point Cook site. That valuation came to between \$2 million and \$4 million, taking into consideration the difficulties with the agreed excising of heritage areas and also the contamination of various aspects of the site.

The constitution of the company is very tightly drawn up. It is a not for profit company. The board members receive no remuneration. The majority of the board must always be ex RAAF to ensure that the company is not hijacked along the way—

**CHAIR**—A very good term.

**Air Vice Marshal Scully**—But recognising the need for commercial expertise—of course, a very large minority of the board are commercial experts. Also, because the company must operate at complete arm's length from the Commonwealth, no serving members of the RAAF are permitted to serve on the board. The activities in the last 12 months essentially have been to further develop the business plan, which was originally conceived by the Museum Advisory Board, and to lobby those groups of people that we felt might be sympathetic to our cause. We have had extraordinary support from the member for Lalor and we seem to have had a very significant volume of local support for our endeavours. We have briefed Business Victoria on the proposals and they seemed interested in them. We have also briefed the Department of State and Regional Development, the Victorian government, and the office of the Victorian Premier.

The past Minister for Defence has always maintained—and he has been consistent in his replies to submissions to him—that the main reason for the department wishing to divest itself of Point Cook was to save on operating costs, recurrent costs. Our business plan indicates that the company could conduct commercial activities on the site at no further ongoing cost to the Commonwealth. We would generate sufficient income to maintain the site, to contribute to the development of the museum; there would be no further need for Commonwealth funding. One proviso, of course, is that the RAAF would continue to fund the RAAF museum unit and pay the staff, et cetera.

In conclusion, we believe that in offering to do what the minister has said that he would want done—that is, save on operating costs—we would provide an attractive option for the Commonwealth to consider in relation to the disposal of Point Cook. We think the timing is appropriate—it is the Centenary of Federation, it is the RAAF's 80th anniversary, and we are coming up to the 100th anniversary of the first flight. And, just to support the comment of the member for Lalor, we are concerned that there seems to be an indication to go to public tender. If the Commonwealth wished to retain ownership of the site and was happy with the Point Cook Operations Ltd business plan, we see no particular reason why the Commonwealth could not allow our company to manage the site on their behalf into the long term. We see there being no commercial conflict of interest with any other organisation were the Commonwealth to take that course.

**CHAIR**—What is the basis of the funding of the organisation?

**Air Vice Marshal Scully**—At present?

**CHAIR**—At present.

**Air Vice Marshal Scully**—In relation to the initial funding of the organisation, there was an organisation called RAAF Museum Incorporated, which ran the museum commercial outlet, the shop. That had funds available to it. When the company formed, that organisation agreed to wind itself up and give the company an initial seed capital. That capital has been, to date,

adequate for us to employ one full-time staff member and to fund extraneous costs, but at present we employ no full-time members and we are in the final stages of negotiating a contract to actually take over the running of the museum shop, which would assure us of a trickle stream of income until the decision in relation to Point Cook was made.

**CHAIR**—You people may not be the best to ask the question of, but, given that there seems to be a view that people want Point Cook retained pretty much in the state that it is now, subject to enhancements that one might get under your organisation, is there any organisation or anyone in the local area who does not support the type of approach that your organisation and that you as the member have supported? Are there people who are advocating that yes, the site should be chopped up and sold and that maybe you should protect those areas that can be identified specifically as heritage? Is there anyone aggressively supporting the break-up of the site and the marketing of the site for commercial reasons, or is it just something that seems to be a DEO fixation?

**Ms Gillard**—I would have to say that, locally, overwhelmingly people support the site, the RAAF museum, that sort of focus. In terms of the urban development that there has been down the Point Cook corridor, the last thing people who have bought those new houses would want is another huge housing estate at the end of Point Cook Road, because already, even with the redevelopment of Point Cook Road, there are stresses on infrastructure. There is also an unresolved issue about the interchange to the freeway: currently, if you live off Point Cook Road and you work in town, so you go down Point Cook Road in peak hour, you need to go around two roundabouts to get onto the freeway. No government has committed to fixing that problem as yet, and we routinely get people queuing for as long as 45 minutes in the morning just to get onto the freeway. If you lived in that area, the last thing you would want down the end of the road is another few thousand houses.

To come back to your question, there was concern, or there have been some individuals concerned, about aircraft noise issues. They are very, very minor concerns. I would have to say that, in the time since the last election, I would have had three or four calls into the electorate office which have raised aircraft noise issues. But we have been sensitive to that—that when one is talking about keeping a functioning airport one has to be sensitive about aircraft noise issues. When we have distributed to people information about the PCOL plan, we have been keen to be very clear about what volume of air traffic we are talking about so that it would not start offending people in terms of becoming an enormous commercial airport. No-one is really putting that as a vision. Save for those couple of concerns, there has been no opposition locally to the PCOL plan.

**CHAIR**—And there is no active community or developer support that you know of for the mass commercialisation, if I can call it that, of that site, given that there may well be the heritage values that need to be preserved.

**Ms Gillard**—I am not aware of any body of support for mass commercialisation of the site. In fact, the balance of local opinion, in my view, from the heritage point of view, from the local residents' point of view, from the environmental point of view, would be completely the reverse.

**CHAIR**—Air Vice Marshal, in respect of PCOL, have you had discussions with Defence Estate on the future of the site?

**Air Vice Marshal Scully**—Yes, we have, Mr Chairman.

**CHAIR**—On how many occasions, and who initiated those discussions?

**Air Vice Marshal Scully**—We have had substantial discussions with Defence Estate I suppose on one occasion only—excluding, of course, the occasions when the Museum Advisory Board was meeting and Defence Estate had a representative on that board. Presumably Defence Estate would have been aware of the development of these proposals from the start. But since then, because we had some rather unhappy experiences early on with Defence Estate, we did have a meeting with them, and I suppose it allowed us to explain in more detail our proposals to the Defence Estate organisation.

**CHAIR**—And what was their response to your explanations?

**Air Vice Marshal Scully**—I can understand that they appeared to be under directions that the requirement was to divest themselves of Point Cook with the largest return of capital, and our assessment was that they were not particularly sympathetic to our proposal other than to say, ‘Well, we hear what you say, and when the time comes we will see how you fare in competition with others that might wish to bid for the site.’

**CHAIR**—So there was no positive inducement to your organisation to continue discussions and negotiations with them?

**Air Vice Marshal Scully**—Absolutely not, Mr Chairman.

**CHAIR**—You did say you had some unhappy experiences. I would be interested as to what these unhappy experiences were. Let me assure you that you are not Robinson Crusoe.

**Air Vice Marshal Scully**—Mr Chairman, as I mentioned, the company constitution was drawn up by the Australian Government Solicitor; and it was drawn up within the Museum Advisory Board, on which Defence Estate had a representative. When we formed the company, the company address was care of the RAAF museum at Point Cook, which we felt was reasonable seeing that in effect the Air Force was setting up a de facto arm of the Air Force, but completely divorced from the Air Force. We were given—to occupy—a spare room in the museum, as were people such as the Museum Incorporated group. When Defence Estate found out about this, the company secretary received a very strong phone call from Canberra directing us to change our company address forthwith as it was quite improper for us to have an address at RAAF Base Point Cook and, furthermore, directing us that we were not to hold company meetings at the museum at Point Cook. We advised Defence Estate—

**CHAIR**—Why? Were you considered a terrorist organisation or something?

**Air Vice Marshal Scully**—Well, we advised Defence Estate that we had been invited to hold meetings at Point Cook by the RAAF. The response was, ‘It has absolutely nothing to do with the RAAF. We own Point Cook.’ So we got off on the wrong foot, so to speak.

**Senator WEST**—So the landlord was not allowing the tenants to invite people in, or certain groups in?

**Air Vice Marshal Scully**—Precisely. I put myself in jeopardy because we took no notice of them.

**CHAIR**—Air Vice Marshal, I commend you. But can I just ask this. If you had such strong representations from DEO, are you able to let us know who made those strong representations? If you cannot do it on the public record, we will take it privately.

**Air Vice Marshal Scully**—I would be able to privately, Mr Chairman, but I would hesitate—

**CHAIR**—Air Vice Marshal, I would be interested in that off the record, so we will take that privately. Any other unhappy experiences with DEO?

**Air Vice Marshal Scully**—There have been—not that I personally have experiences, but there have been some unfortunate circumstances arise from time to time. When the circumstances in relation to the leasing agreements of the airfield operators that were mentioned by the Point Cook Action Group were coming to a head, our company felt that the company's future relied very much on keeping the operators at Point Cook, at the invitation of the Air Force, because they provide aircraft that fly and add to the value of the museum. It is a very synergistic operation. And we felt that we should go to bat for them with DEO. We sent a company board member to a meeting at which there were three DEO solicitors representing DEO and the members who were concerned about their leases and insurance; our member was ordered to leave the meeting.

**CHAIR**—Ordered?

**Air Vice Marshal Scully**—By the DEO organisation. We are an undisciplined mob, Mr Chairman, because he refused.

**CHAIR**—You were an Air Vice Marshal, I presume? Am I correct?

**Air Vice Marshal Scully**—Was, yes.

**CHAIR**—That is why I said you were.

**Air Vice Marshal Scully**—I suppose in all fairness one can understand that the Defence Estate saw that its task was to realise the maximum amount of dollars for the Commonwealth, and here was a company, with no visible means of support really, making it very difficult for them.

**CHAIR**—I will pass over to my colleague Senator West in a moment but you did mention that you have a PCOL business plan. I do not know if it is a commercial-in-confidence document. If it is, would you be prepared to present it to the committee and we will treat it as a commercial-in-confidence document—not table it, present it to the committee?

**Air Vice Marshal Scully**—Mr Chairman, I have a copy here. It is commercial-in-confidence but I am quite happy to present that.

**CHAIR**—Just present it to us at the end of proceedings. Then it is not formally tabled and we can respect the commercial-in-confidence nature. We would be interested in looking at that. Have you provided that to DEO as well?

**Air Vice Marshal Scully**—No, certainly not, Mr Chairman. Bearing in mind that we will be perhaps in a competitive situation, we do not wish it to get to the judge before it is necessary for us to do so.

**CHAIR**—No, that is fine. I respect all of that.

**Senator WEST**—Ms Gillard, you said that you have been having conversations and briefings from DEO quite regularly since you first became a member. Who has initiated that or who initiated that in the first place? Did you initiate that or did DEO?

**Ms Gillard**—I have initiated them, and I have initiated them in a variety of circumstances. When I was first elected, it was clear to me that the future of the Point Cook air base was a big issue for the region, so I sought an initial briefing from Defence Estate to help understand the issue. I determined when I was first elected that one of the things I needed to do to understand the issue was to meet with every user on the site. I did that over a period. Having formed a relationship with every user on the site, I tended to become the recipient of complaints about the performance of the Defence Estate Organisation. I raised a number of those things, both on the public record in parliament and more directly with the Defence Estate Organisation. I have raised with them over the time period difficulties caused for RMIT with its leasing arrangements, which RMIT might choose to raise with you later this afternoon. I have raised with them problems with the airfield use agreements, which were imposed over a Christmas period on recreational aviators who fly in and out of Point Cook.

**Senator WEST**—Can you tell me about that?

**Ms Gillard**—Yes, certainly. In early 2000, so over the Christmas between 1999 and 2000, I was approached by a large number of people who recreationally fly out of Point Cook, because they were being required, if they wanted to continue to do that, to sign airfield use agreements with a \$250 charge. Even if you just decided that once in a year you would land at Point Cook, you paid the \$250. If you landed several times, you would pay the \$250 and then pay some more minor fees for each landing. To get that in perspective, to land at Mangalore, Moorabbin or any of those places is much less. For Moorabbin at that point in time, it was \$7. Mangalore was in the same range. You are talking about fees that are just extraordinary in comparison. I was advised that it would be cheaper to land a single-engine aircraft at Tullamarine airport or Sydney airport, that even in peak periods you would get it in more cheaply than \$250. There were major public liability issues with these agreements as well.

So we had individual plane owners approaching my office. We had the Point Cook Flying Club and the peak organisation of recreational fliers, the Royal Victorian Aero Club, approaching my office. We tried to do what we could to resolve some of those issues with the Defence Estate Organisation. Not all of them were resolved satisfactorily, though there were some movements. My view at that stage was that the Defence Estate Organisation was discouraging aviation use of Point Cook and that that was part of a plan about clearing it of aviation users as part of the process for disposition. I think since that stage perhaps things have

got a little bit easier in terms of the relationship between people who use Point Cook for flying and the Defence Estate Organisation. But that was a very difficult period. I should say that the people who flew in and out of Point Cook and who were presented with these agreements were being told that if they did not sign the agreements they would have to get their planes off at the end of February. It was all done in a very truncated and difficult way. I raised those issues in a grievance debate in federal parliament on 13 April 2000.

**Senator WEST**—And what were those agreements like? What were the conditions on them? Were they onerous? Were they unrealistic? Were they enforceable?

**Ms Gillard**—Having worked as a lawyer before I did this, even from a legal point of view you would describe them as complex documents to get through. In terms of the conditions that they put on recreational aviators, the costs were extraordinarily high. The degree of notice requirements for flying in and out of Point Cook were extraordinarily high. And then there were issues in terms of the club operations. For example the Royal Victorian Aero Club is just a community based club of people who like to fly. The club committee was being required by its agreement to give personal, unlimited, unconditional guarantees. So there you are, a volunteer, just serving on the club committee, and you are being asked to sign something that could put your house, your car and everything else at risk.

**Senator WEST**—Even if you are an incorporated body?

**Ms Gillard**—Yes. Even as an incorporated body they were being asked for unlimited and unconditional personal guarantees. Now Defence Estate has pulled back from that and in the end accepted—to my recollection—a \$500 bond. I did raise this matter at the Joint Committee of Public Accounts and Audit when we were talking about risk management questions. No-one has ever been able to satisfactorily explain to me how you would go through a contracting process where on the first bid you were asking for an unconditional, unlimited guarantee and then you were prepared to compromise that for a \$500 bond. That does not seem to me a rational contracting mechanism.

There were other issues. The Point Cook Flying Club, again, is just a club of enthusiasts. They have clubrooms at Point Cook and they have a hangar at Point Cook. They were told they would need to regularise those arrangements in terms of leases and licences. I can understand the need to regularise those arrangements. But in the first instance Defence Estate were saying to them they would deal with the hangar question and then subsequently deal with the clubroom question whereas the Point Cook Flying Club were saying, ‘Well, if we cannot have the club room we do not want the hangar’—and vice versa.

**Senator WEST**—The whole lot or nothing.

**Ms Gillard**—Yes. These are people who want to fly in, put their planes in a hangar and then adjourn to the clubrooms. If they cannot have both, there is no point in them being there. But there was this sort of insistence in the initial round that you deal with them sequentially. I do want to be fair to Defence Estate and say I think some of it has resolved over time. But certainly in the early parts of last year the degree of antagonism between aviation users and Defence Estate at Point Cook was very high, and I was very routinely, as the federal member, involved in that loop between the users and the Defence Estate Organisation.

**Senator WEST**—You were the initiator.

**Ms Gillard**—Yes. I was the initiator of contact. I would have to say the most recent contact by Defence Estate—the meeting that I referred to where David French met with me in Canberra—was initiated by Defence Estate. That would be, to the best of my recollection, the only time they have initiated a meeting with me. I have initiated the other contacts with them.

**Senator WEST**—Air Vice Marshal, in your business plan, you are looking to take over responsibility of the whole base on a low rental, long-term basis?

**Air Vice Marshal Scully**—That is correct, Senator.

**Senator WEST**—Have you been given any indication as to what DEO thinks of that—whether it is a goer or whether the proposal is not supported?

**Air Vice Marshal Scully**—It would be my understanding that DEO would show no support at all for such a proposal, Senator.

**Senator WEST**—But nobody has ever actually communicated to you either directly or indirectly that your proposal would not be supported?

**Air Vice Marshal Scully**—Orally I believe they have indicated to me that our proposal is not a very sensible one—one that would be seriously considered. That was certainly the interpretation that I would give to the comments that were made by senior DEO officials who came down from Canberra specifically to meet with us and the RAAF.

**Senator WEST**—Did they give any indication as to why they would not consider it?

**Air Vice Marshal Scully**—My only assumption, Senator, is that they were intent on a capital return for the property, which they were aware the company would not be able to provide in adequate terms.

**Senator WEST**—You are continuing to pursue the idea of the management of the whole site?

**Air Vice Marshal Scully**—That is our one and only objective, Senator. There was some suggestion earlier that perhaps part of the site could be sold and developed separately. That would, of course, have an impact on our business plan, because our business plan is predicated on managing the entire site and being able to generate income from whatever elements of the site we can to support the site. If we were left with nothing to gain in income, holes would appear in our business plan, obviously.

**Senator WEST**—So you are not just concentrating on the museum itself?

**Air Vice Marshal Scully**—No, absolutely not, Senator. We think that is just not viable, and the business plan does not address that in any way.

**CHAIR**—So, if I can just interpret from that, you would be looking at the housing, some of which is currently unoccupied, to be a commercial operation where you would put those houses—not to sell, but out onto the open rental market?

**Air Vice Marshal Scully**—We believe, Mr Chairman, that those houses would provide very suitable accommodation were an educational institution such as RMIT or other decide to lease other buildings on the base—provide excellent student accommodation. So we would get a return in rental terms for those houses.

**CHAIR**—The other issue is the decontamination of the site. I do not have any idea of what the cost involved there would be, but I would think that, given that area which is known as the dump, where a lot of rubbish was thrown years ago, there would be a fair cost, I should imagine, to remediate it—as there would be for the rifle range there. How should Defence be able to cover their costs there? Is it reasonable that they should be expected to remediate the site and then pass it over to an organisation such as yours for a nominal rent over a long period of time, or should there be some availability to Defence—if not immediately, then as your plan gathered momentum and the site became commercially viable—to expect, further down the track, some remuneration from your organisation for the remediation?

**Air Vice Marshal Scully**—Mr Chairman, there seems to have been some indication from Defence Estate that they would continue to bear ultimate responsibility for any major contamination, such as in the dump area. But our company business plan, of course, would let sleeping dogs lie there. We would see no development in that area. One of the advantages of the Commonwealth retaining ownership would be, we understand, that that situation could be just left as it is and therefore there would be no cost to the company or to the Commonwealth to remediate that particular site. In other areas, such as the funding for the upgrading of a sewerage system perhaps, our business plan takes into consideration company expenses to do that. But there could be different standards required of that final upgrade, depending on whether the Commonwealth retained ownership or the state retained ownership. If the Commonwealth were to maintain use of some buildings on the base, presumably there might be some negotiations downstream as to there being a cost sharing arrangement between the company and the Commonwealth in relation to work such as that—and perhaps even the rifle range; I am not too certain exactly what is involved with the rifle range purification.

**CHAIR**—I think you have answered that fairly well. It seems to me, without going into the detail of your business plan, that you are a serious commercial organisation that wants to make a real go of the running of that site.

**Air Vice Marshal Scully**—Absolutely, Mr Chairman.

**CHAIR**—Even though you are not for profit.

**Air Vice Marshal Scully**—That is the heart of the company. We are all dedicated to the preservation of Point Cook, with no interest at all in our own back pockets. But we would obviously try and maximise a return which would all then—and the constitution requires it for any bottom line surpluses—be transferred to the museum. For example, the first project that we would have commence would be Pegasus, which would provide a cover for the very large aircraft. There is no cover in the museum at present for large aircraft. That has been designed

and developed. We have a cost estimate of about \$4 million, and if we were to get the lease of the base we would immediately proceed to obtain loans to enable that development to proceed. Also, there is a very substantial sponsorship in the offing, which is not available to the museum while it remains under its present administration. If the company were to have a lease and a loan of the collection, we would be able to accept sponsorship for the museum. In fact, we have already had offers from an aerospace company whose name I cannot mention, but we are unable to accept the offer because we do not actually own anything at Point Cook. Therefore, we do not wish to give the money—and nor would the aerospace company give the money—to the Commonwealth, because it might not appear in the right place.

**CHAIR**—One of the things that was said to us on the inspection this morning was that there are a number of RAAF sites which are now closing because of rationalisation in Defence and that artefacts and memorabilia of historical importance are becoming available. Have you taken into consideration in your business plan that, as more of these sites are closed, they will naturally find a home at the Point Cook site if it does become the focus of an air museum? And how would you cope with the burgeoning amount of artefacts, memorabilia, historical items and so on? How would you cope with that?

**Air Vice Marshal Scully**—We would not expect there to be an immediate flood, despite the closing of bases. The aircraft in fact are being moved around the Commonwealth. They are not being totally disposed of. But there would be an ongoing plan for the continuing development of the museum, and money from the company's bottom line would be transferred to the museum to construct new storage facilities with the appropriate environmental controls. We see that as an ongoing process, and we do see that the museum would need to grow over time. The only possible way we see that being possible is for a company such as ours to devote itself to that task. Under present Air Force sponsorship of the museum, there is agreement, I understand, to continue provision of funding at a certain level; that is enough to maintain the museum at its present size and shape but would not provide Commonwealth public funds for expansion. Any expansion would need to be provided by some commercial organisation such as ours, and that is indeed at the heart of our business plan.

**CHAIR**—Last but not least, we had a look at the chapel, which has heritage value in itself, in the roof, apparently. I think that is correct.

**Ms Gillard**—That is right.

**CHAIR**—And also the various colours that were hanging within that chapel. I presume that they would remain in the chapel?

**Air Vice Marshal Scully**—Mr Chairman, I would think so. I think one of the pluses for a company such as ours, as I mentioned, is that our structure is composed entirely of enthusiasts for RAAF heritage. Even the commercial and business members of our board are absolutely dedicated to developing and retaining RAAF heritage. I think if any organisation was going to manage Point Cook in a sensitive way, it would be a company such as ours. And certainly the last thing in our mind would be to interfere with important heritage items such as that. Mind you, the chapel is not particularly old.

**CHAIR**—No, I understand that.

**Air Vice Marshal Scully**—It used to be the academy assembly hall.

**CHAIR**—Yes, we have heard that.

**Air Vice Marshal Scully**—And with a previous hat on my head, I was the instigator of turning it into a chapel. That was when I was serving in Melbourne in the—

**CHAIR**—Great foresight.

**Air Vice Marshal Scully**—Well, I am still in the business, Mr Chairman.

**CHAIR**—So you would not see the colours going to the Royal Military College in Canberra?

**Air Vice Marshal Scully**—Nothing goes to Canberra, Mr Chairman.

**CHAIR**—Nothing goes to Canberra.

**Air Vice Marshal Scully**—Canberra have enough, we believe.

**CHAIR**—So the more appropriate setting for them, you are saying, is in that chapel on the Point Cook site?

**Air Vice Marshal Scully**—Indeed, Mr Chairman. And I believe one of the important issues is that it is an Air Force heritage site; it will manage all Air Force heritage items. There is nothing to say that we could not establish annexes to a museum at another site, and parts of a collection would shift around the countryside. But we see that as a much preferable way of focusing on Air Force than items going into organisations such as the Australian war museum. As magnificent as that is, it is so large and complex that it becomes less specialised and provides less adequate access for people who really want to go and research Air Force. For instance, it was mentioned that there was an Air Force historical section in Canberra. Our company—and I have already taken formal steps in a proposal—suggests that that Air Force historical section should move to the RAAF museum, so that anybody interested in Air Force heritage or history will have one focus, and all the historical aspects of the Air Force will be centrally located, managed and catalogued.

**CHAIR**—We are fast running out of time. My last question therefore is: why Point Cook? Why not Fairbairn? I know it is about to close down. Why not Amberley? Why not somewhere else—Williamstown, Pearce or Edinburgh? Why Point Cook?

**Air Vice Marshal Scully**—Mr Chairman, for many reasons. I direct the committee to the annex to our submission. Point Cook was the first airfield in the Commonwealth. It was the home of the Air Force. It was the home of the Australian Flying Corps. It was the home of civil aviation in the country. It is the longest continually operating military airfield in the world. It is the base at which almost every airman has served at some stage or other. I spent four agonising years there as a cadet and later went back on staff.

**CHAIR**—We will not ask about those.

**Air Vice Marshal Scully**—It is a sacred site, because there are many airmen's ashes scattered on the airfield. Point Cook is the only place that could be considered for the preservation of RAAF history and heritage—and of aviation history and heritage.

**CHAIR**—My point is, though, that you would not consider that for Amberley, Edinburgh, Pearce or some other Air Force base?

**Air Vice Marshal Scully**—Not as a central focus. Amberley might well have a small museum which focuses on-site.

**CHAIR**—I accept that.

**Air Vice Marshal Scully**—Williamstown has a fighter, I believe, but most of the equipment at Williamstown belongs to the RAAF museum. Most of the items there, or most of the aircraft, belong to the RAAF museum. It is important to have those sensitive and very scarce items of aircraft history centrally managed.

**Senator WEST**—The runways form an integral part of that museum?

**Air Vice Marshal Scully**—Yes, I believe the entire base does, because the entire base was given to the Air Force before the First World War by a local family. It is the first base which was selected for aviation in this country. The entire base is still intact, and I believe the entire base should remain intact.

**Senator WEST**—I mean the runways themselves and that tarmac infrastructure.

**Air Vice Marshal Scully**—I am sorry.

**Senator WEST**—Because you still have vintage aircraft that are still flying, and you can actually preserve them there and maintain them there.

**Air Vice Marshal Scully**—Yes.

**Senator WEST**—So it becomes an integral total entity.

**Air Vice Marshal Scully**—Yes. There are the two concrete runways at Point Cook, and there are also grass runways, so it is really an almost all-over field. But they are suitable for vintage as well as more modern aircraft, yes.

**Senator WEST**—Thank you.

**Ms Gillard**—I think the perspective from the aviation enthusiasts and also the museum perspective is that it would undercut a lot of their present operations to be unable to fly. It is quite a different facility to have a static display marooned in a sea of something else, as opposed to having a static display where people can then go and watch a live display. The museum does offer that currently; schoolkids do go and stand out and watch someone fly whilst they are miked, talking to them. They watch people fly heritage aircraft and talk them through it. That is

an integral part of the museum experience that you cannot get from just watching a static display. On the question of the RAAF chapel, I think that that, if you like, is a good microcosm of the broader issue. The RAAF chapel is not within the Defence Estate Organisation heritage precinct. If the estate was sold just with that little heritage precinct to a commercial developer, whilst the roof on it might attract some heritage itself, there would not be anything to stop a developer using that as a restaurant, a coffee shop or what have you. That raises all of the issues about where you put the RAAF colours where their true heritage significance can be properly celebrated.

**CHAIR**—It will not be at the RMC chapel in Duntroon, we can assure you. That is not our word; we have heard that from places far higher.

**Ms Gillard**—Right.

**CHAIR**—Thank you very much for your appearance, Ms Gillard and Air Vice Marshal Scully. We have appreciated the evidence and undoubtedly DEO will respond to it when they appear before us in due course. Thank you.

[3.48 p.m.]

**LANGENBACHER, Mrs Patricia Elizabeth, Group Member, Save the Afton Street Hill Group**

**LEE, Ms Jennifer Margaret, Member, Save the Afton Street Hill; Member, Friends of the Maribyrnong Valley**

**McMAHON, Mr Pol, Project Manager, Save the Afton Hill; Member, Friends of the Maribyrnong Valley**

**CHAIR**—Do you have anything you wish to add about the capacity in which you appear before the committee today?

**Mrs Langenbacher**—I appear as a member of the group and also because it was recommended by the solicitor of the Environmental Defender's Office, I think to Mr Barsdell, that we might appear.

**CHAIR**—The committee prefers all evidence to given in public, but should you at any stage wish to give any part of your evidence in private, you may ask to do so and the committee will consider your request. The committee has before it a written submission from the group. Are there any alterations or additions you would like to make to your submission at this stage?

**Ms Lee**—No, I do not think so. We can update some of the information if you want.

**CHAIR**—All right. We will take that by way of an opening statement. I now invite you to make an opening statement, and then we will proceed to questions.

**Ms Lee**—Just by way of a brief history of the recent use of the site. In 1987 the keys to the Afton Street site were handed over to the then City of Keilor, which at that time covered the area, and it was proposed that the land actually be given to the City of Keilor. But that fell through some time afterwards, mainly because the City of Keilor was reluctant to undertake the maintenance costs without being permitted to develop the land. I should say that the land in question is about 20 hectares directly fronting the Maribyrnong River, although it is cut across by various easements and various prohibitions on development, so very little of it is suitable for subdivision and urban development.

**CHAIR**—The committee have not had the benefit of actually being able to view the site, which is a little unfortunate. Whilst we did look at Point Cook this morning, if we had had the time we intended to do a drive-by.

**Ms Lee**—We do have a map.

**CHAIR**—I have got the map. Looking at the map, what is on the Afton Street site? Is it mainly a building or nothing—just vacant land?

**Ms Lee**—It was cleared in 1993 of all the existing structures to allow the work to proceed on the major trunk sewer, the metropolitan trunk sewer.

**CHAIR**—So it is open land currently.

**Ms Lee**—Yes.

**CHAIR**—Does that open land have public access?

**Ms Lee**—No. It has been cleared.

**CHAIR**—It is fenced off?

**Ms Lee**—Yes.

**CHAIR**—All right. So we are looking at a block of land that has no public access. I presume Defence Estate maintain by cutting the grass?

**Ms Lee**—No. It is not touched.

**Mrs Langenbacher**—When the Board of Works owned the land, or the Board of Works certainly had some involvement in the land, it used to be maintained—the grass was cut, or firebreaks were burnt.

**CHAIR**—So when was that.

**Ms Lee**—Between 1993 and 1999.

**Mrs Langenbacher**—Or even earlier than that.

**CHAIR**—All right. I have got to give these photographs back, but I now have before me some photographs so that I can see what the land is like.

**Mrs Langenbacher**—Yes, right. The land also involves the original defence department dumping sites—I think that is part of the land that has been offered, isn't it?

**Ms Lee**—Yes.

**Mrs Langenbacher**—And also sandpits. There is quite an extensive sandpitted area behind the hill that faces Afton Street.

**Ms Lee**—In fact, to enumerate the inclusions on the subdivision, there is a sewer reservation that cuts across the site from north east to south west. There is a power reservation which cuts across the site almost at right angles to that. There is a larger area of flood plain. There are two designated areas of indigenous grassland, which the defence department has not at any stage, in recent memory, proposed to build on. There is also the last free-flowing creek to enter the Maribyrnong before it hits the Yarra.

**CHAIR**—So what is Defence's proposal for that site?

**Ms Lee**—Defence's original proposal for that site was to develop very intensively the 15 per cent of the site that is not covered by any of the previously enumerated reservations. So this is basically the eastern face of the Afton Street Hill. Their proposals were for medium density development of between 68 and 95, I think it was, dwellings, most of them of at least three storeys.

**CHAIR**—So we are looking at residential developments.

**Ms Lee**—Yes.

**CHAIR**—Say, in the order of two and three storeys.

**Ms Lee**—Yes—four in some cases.

**CHAIR**—And that was on 15 per cent of the site.

**Ms Lee**—Yes. But it was 15 per cent of the site directly above the fresh water watercourse, on a very steep slope that would have required massive excavation, and the rear fences of the houses were going to run within a metre of the designated Western Plains grassland areas. So that gives you some idea that they did not have a lot of room to move.

**Mr McMahon**—The site has not been exhaustively surveyed as far as those grassland communities go. The last 10 years of occasional surveys have all occurred at the height of summer and are not any sort of true indication of what actually occurs there. So in terms of saying in the reports that they assumed this, I do not think that is exhaustive enough, given that the western basalt plains ecological community is down to one per cent of pre-European levels. There is only one per cent left of that grassland community. As such, it has been nominated for National Estate as a community. So any members of that grassland community, if they occurred on the site, would be therefore national heritage. Thus, if they have not exhaustively surveyed, I think they are failing in their duty.

**Ms Lee**—In fact, the two surveys that have been done have both been done at the worst possible time of year and both of them have been very brief. We do not know how long the first one was because we have been unable to see the report, but the second was done on a single day in February 1999. It is known that mid summer is the worst time to survey those grasslands, because all the small tender spring plants rise and disappear by then. So basically, we have a series of decisions made on the basis of inadequate biological surveys. Even so, those surveys did not unequivocally recommend development, and every single survey of the land that has been done has—

**CHAIR**—Surveys by whom?

**Ms Lee**—Biosis Research were commissioned to do two on behalf of Defence—they were in 1996 and 1999. And there was a further survey in 1997 that covered a corner of the site, which was performed by Lincoln Kern of Practical Ecology for the Moonee Valley Council, which was, at that stage, negotiating with Defence to buy a small area of land to put a bike path

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through. In all three cases the recommendation has been that urgent action was needed to control the weeds on the site and to prevent the degradation of the remaining grassland areas. Speaking to someone who was out on that site, nothing has been done in the interim, even though the reports of their own consultants says:

Any soil disturbance within the site—

this is in reference to the proposal for development—

would provide significant opportunities for weed invasion and also lead to a loss of native species. Weed populations should be controlled using a combination of fire and herbicide application.

That was in the conclusions published in June 1999.

**CHAIR**—Who were the consultants?

**Ms Lee**—This was Biosis Research. The actual authors were L.M. Williams and A.J. Hill.

**CHAIR**—Can you table a copy of that for the committee?

**Ms Lee**—Yes.

**CHAIR**—If you have not got a spare copy, send it to us. We would appreciate it.

**Ms Lee**—I think we have got a spare actually.

**Mrs Langenbacher**—Yes, I have got one too. We also have that Mitchell McCotter report.

**Ms Lee**—Yes. Another report was done for the Moonee Valley Council when the question of the possible sale of the site was first raised. That also recommended against development. I should also point that many of the weeds that are on this site are actually notifiable. The Defence Department does actually have responsibility as landowner to control them because they are extremely invasive. The regionally prohibited weeds, which is the most severe category—St John's wort which is absolutely everywhere on the side of the site, artichoke thistle, box thorn, serrated tusk grass and horehound—are all growing in extremely obvious ways all over the site. Yet the defence department will neither do anything to control it nor will it support any community action to control it. Requests for access to the land have repeatedly been denied.

**CHAIR**—All right. On what occasions have you had discussions with the Defence Estate Organisation?

**Ms Lee**—We have been dealing with them in recent times through the council because they have been negotiating with Defence about the transfer of ownership. Pol had previous dealings with them when it put in an application for funding to do some restoration work last year and Defence refused to agree as landowners to have that restoration work proceed. So it may be best if he talked about that.

**Mr McMahon**—The office actually declined to give any information about the site. It took confirmation by Moonee Valley that they actually owned it. When we received a reply to the copy of the grant application, which was Park Victoria's community grants application, they replied not to the organisation that had submitted the grant but to another organisation that I do volunteer work for, leading me to suggest that perhaps they had not actually read our application, let alone communicated directly with us via telephone though we left our numbers, fax numbers et cetera. We got a short fax declining to cooperate with the Living Museum of the West, which is an irrelevant organisation in this instance. They have been involved in negotiations with the Moonee Valley Council for five months, and through the council we had asked for more communication in regard to all of these issues—the weed invasions, the grant applications, site inspections and surveys. We have had no direct reply.

**CHAIR**—Just let me get this straight. I have read through the briefings and I just want to understand. This site was offered once before the council when it was the Keilor Council, was it not?

**Ms Lee**—Which was quite a different kettle of fish. It was a very different council. The boundary between two council areas used to pass through the land. So it was right on the edge of Keilor Council's territory at the time.

**CHAIR**—But if my recollection of what is in the submissions here is correct, the Keilor Council were not interested because there was a price tag on it. Is that true?

**Ms Lee**—No. It is a little bit trickier than that. The Keilor Council were a little bit too interested in some ways and not enough in other ways. There was a price tag, and what they did was to propose to cover the price tag by selling some of the prime and most damaging—

**CHAIR**—I think the price tag at that stage was about \$160,000.

**Ms Lee**—Yes, that is right. But Keilor then proposed to sell portions of the land for subdivision at which point the defence department I think quite reasonably lost interest in handing it over for nothing.

**CHAIR**—All right. The land is currently the property of Defence Estate, is that correct?

**Ms Lee**—Yes, which is in the process of negotiations with Moonee Valley Council.

**CHAIR**—For what?

**Ms Lee**—For its sale to the council as public open space.

**CHAIR**—So it will be sold to council and, having passed from Defence to the council, as we understand from evidence that the committee has been given to date, it would have to be zoned by the state minister because currently it is zoned for Defence purposes, and it would either have to be zoned as open space or recreational space. I do not know what the zoning is.

**Ms Lee**—I think there is an intention that there be a condition of the title that it would not be able to be used for any other purpose. The last time I heard they were either going to covenant the actual title to prevent it from being used for anything other than public open space—

**CHAIR**—So Defence in passing it across to the Moonee Valley Council—

**Ms Lee**—Yes.

**CHAIR**—will only sell it on the condition that it becomes open space; is that correct?

**Ms Lee**—At the moment that is the situation as we understand it.

**Mrs Langenbacher**—We did have many submissions, many consultations with council, for council to negotiate to have the offer changed from housing development to public open space. We considered that was a significant success.

**CHAIR**—So your organisation has achieved that result.

**Ms Lee**—We have got that far.

**CHAIR**—You have got that far, but that was not through your negotiations with Defence Estate; that was through your negotiations with the council. And it is on that basis that Defence now have a preparedness to sell the Afton Street site to the council?

**Ms Lee**—Yes.

**CHAIR**—So what are the difficulties that you see this committee needs to address?

**Ms Lee**—I think there is a general question of the standard of custodianship of Defence both now and in the past of those lands. It seems to me that almost by accident they have landed with a large number of properties, particularly scattered around the Maribyrnong Valley, because they have tended to be concentrated there, that preserve environmental values that have been widely destroyed elsewhere in that particular catchment and in many cases throughout Victoria—this is not only an issue that applies to Victoria obviously. I think the standard of custodianship of Defence as the landowner have been remiss in this case to the point of being reprehensible because they have been aware of the quality of the environmental remnants left on that land and they have done absolutely nothing to safeguard them.

**CHAIR**—All right. For how long have they failed to protect the environment in that area?

**Ms Lee**—They have been aware of the existence of tracts of western plain grassland on that land since June 1996.

**CHAIR**—So it is since June 1996 they have failed to take action to keep out noxious weeds et cetera on that site.

**Ms Lee**—Yes.

**Mrs Langenbacher**—Prior to that, I do not think there was any maintenance work done. We have lived near that site for 40 years, and the defence department used to have grazing on the property, which I believe was an asset—because they had the grazing, a lot of the species were maintained.

**CHAIR**—So what did they graze?

**Ms Lee**—Goats.

**Mr McMahon**—There were sheep also.

**Mrs Langenbacher**—And initially there were cows.

**Mr McMahon**—Just about all of the Defence lands have had higher landscape value because of the neglect. That is often the case with environmental studies. If you look at places that show evidence of human neglect, you will often find a greater species collection; they have not been disrupted by earthworks et cetera since there was opportunities for recolonisation of that ground. So even though our site has had early sand mining from the 19th century and it has had explosions upon it—as a child, I remember them blowing things up on the very same bit of land—these places, sometimes because of the neglect, have got better remnants. So in the last 10 years they have been degrading rather than increasing because of the Melbourne waterworks during the early part of the last decade. However, the sites all along at the Maribyrnong Valley have had a great value.

**CHAIR**—The submission that you have put to this committee is in respect of the Afton Street site. Just for the sake of roundness in our deliberations can you tell us about the site opposite. Is that still owned by Defence?

**Ms Lee**—Yes. That is going to be a real bone of contention on a very large number of issues because it is a seriously contaminated site.

**CHAIR**—There is remediation there and that is why I raised it. What about the Afton Street site, is there need for remediation there?

**Ms Lee**—I suspect that one of the reasons why we made so much progress—I am not absolutely certain about this—in the negotiations with the council and why the council in turn made so much progress in negotiations with Defence was that large tracts of that site have only been cleared for public open space on environmental contamination. A report was done after the works or during the latter stages of the works on the Melbourne sewer. At that time it was cleared down to a depth of a foot. We worked out that, just to build the road in the proposed subdivision that they were putting in, you would have to move 6,000 cubic metres of dirt. It is about a one in three, one in four, one in five slope. So your chances of being able to do that without digging in deeper than 12 inches are zero.

The contamination is an issue on the other side as well. The problem is that remediation in many cases can do a lot of damage. If you have got to remediate down to a metre or something like that to develop an area, the effect on the environmental values is going to be catastrophic. As it was we had fences within a metre of areas of grassland where the preferred technique for

restoration of those grasslands is fire. So it seems highly unlikely that fire would be able to be used if there were houses a couple of metres from the edge of the grassland. To scrape it and remove any soil that could even be suspected of being contaminated would basically leave a wilderness, as has already happened at the ADI site in Gordon Street in Footscray or Maidstone, whatever it is called, where they took away the soil and replaced it by something that looks suspiciously like a small piece of the Simpson Desert. That was about five years ago and it still looks like a small piece of the Simpson Desert. It is not growing anything.

**Mr McMahon**—Yet the small patches that were missed have got wallaby grass and native saltbushes on them. So a fairly good environment would have occurred across that site, but it has definitely been changed by the remediation work. I refer to a newspaper article last week in respect of the site across the river from us—Nicola Roxon was doing an inspection of that site—where mention was again made of the kangaroos hopping across the site. Those kangaroos are in common with our site; they swim across the river to our site. So as of last week there were still kangaroos occurring this far down into the city and that has been a great push for us to conserve our site.

**Ms Lee**—This is nine kilometres from the GPO.

**Mr McMahon**—Yes, within sight.

**Mrs Langenbacher**—I think what really excited the residents—not only the immediate residents but the community; it was far wider than that—was evidence of the fauna and the flora. Echidnas and lizards were sighted and frogs have returned. During the construction work for the sewer the frogs which had been forever in the creeks—there are lots of creeks there too—just disappeared. Suddenly we did not hear any frogs. Just over the last few months the frogs have come back again and it is quite amazing. So that does excite some people, I think.

**Ms Lee**—Yes. There is a very powerful local sense that this is something very, very special.

**CHAIR**—So the focus of your submission back in November 2000 was the fact that that site was going to be subjected to development for residential purposes.

**Ms Lee**—Yes.

**CHAIR**—That has now gone away.

**Ms Lee**—We cannot firmly pronounce that it has gone away until we see the document signed for the transfer of the land. As we have seen on the previous occasion with the negotiations with Keilor council, when you are talking about an area of land like this as a development site, to the untrained eye, which cannot see all the exclusions that operate on it, it looks amazingly attractive. There are 20 hectares of riverfront land. So basically we will not be feeling confident until the transfer has gone through.

**CHAIR**—But you can only now go on the prima facie evidence that you have as a result of your negotiations with the Moonee Valley council. They have said to you that they will buy it off Defence, I presume, for an agreed price and on that basis the land remains open land?

**Ms Lee**—Yes. As far as we understand it from talking to the council today that is now, depending on who you speak to, either at the deputy secretary level or on the minister's desk. But in the meantime we have—

**CHAIR**—So seeing will be believing in your case?

**Ms Lee**—Absolutely. We have had a change of personnel. We have got a new minister. Our CEO was poached by the City of Sydney, so he is leaving. He took the brunt of the early stages of the negotiations with Defence.

**Mr McMahon**—With the public open space criterion, I think we should draw attention to the Biosis report. It cites the fences, which prevent unlimited access to it, as assets to the ecological value. So in terms of public open space we would not like an insistence on public access in the short term at the very least until the site has been consolidated. As it says in their research, the fences have been positive assets to the retention of this rare flora and fauna. We would not like any insistence that it was lawned, for instance.

**CHAIR**—I think you have made your point very well. I will sum up by saying—you can correct me if I am wrong—that you have been critical of the way in which the Defence Estate have managed the property from 1996 on, I think it was; they allowed the property to be untended. You as concerned citizens—your organisation—have taken your debate to the council and the council have now seen the wisdom of your argument. It looks to me, from where I sit, that there is the satisfactory outcome for your organisation, for Defence and also for the council. Is that a fair summary?

**Ms Lee**—I suppose the qualifier on that is that because the land had to be sold, even at the very much reduced price at which it was being offered, it is still an awful lot for a western suburbs municipality to come up with in one hit. I think the tensions and pressures surrounding that decision have been much greater than they would be if Defence had been prepared to hand the land over for a token amount, as they previously had been.

I realise that there is a change in government policy on the whole business of what you charge for public land. In this case, the land is effectively not worth anything in monetary terms to the council; if anything, it is a liability and that has been something that has given us a lot of political trouble fighting it through at the local level. As you can imagine, we get a lot of questions such as, 'Why should I buy the Afton Street Hill when I cannot afford to put up a barbecue in the reserve at the end of my street?' To which our reply is, 'If you don't buy the Afton Street Hill it will not be there next year, whereas you can always put the barbecue in later.' But that has been a very, very hard argument to win.

**Mrs Langenbacher**—We really did have to educate all of the citizens to the value of having something that is a natural non-urban vista, which is very rare as close to the city as that is.

**CHAIR**—This committee now has made inspections in Queensland, in New South Wales, in Victoria and in Western Australia. We have also had representations made to us by the Defence Estate Organisation, and in their they have an enormous portfolio that they have to manage. The committee is fundamentally interested in seeing that the processes that Defence Estate Organisation go through are proper processes in terms of consultation and that, at the end of the

day, there is a win-win situation for both the community and for Defence, because one cannot expect Defence to be totally a charitable organisation. I do not think that that is the vein in which you necessarily do see the organisation. Defence has come to a point in time where, because of its changing focus, it is now having to rationalise. It has got a number of properties, one of which we looked at today down at Point Cook, and this one, which I wish we could have had a look at. That is the dilemma that they are grappling with.

**Ms Lee**—Just very briefly on the consultation thing: we have never had any direct contact with the Department of Defence. They have not taken any initiative. The consultation has been done entirely by the local council and by us.

**CHAIR**—So they knew of your existence?

**Mr McMahan**—Yes, certainly. I contacted them last week.

**Ms Lee**—They knew of our existence well and truly, yes.

**CHAIR**—Did you approach Defence Estate?

**Mr McMahan**—Yes, I approached them last year. One of the reasons that we are bringing this to your attention is the lack of funds available to Moonee Valley council to maintain the property once it gets into their hands. They will have outlaid all this money to buy the property, then they will have a shortfall in maintaining it themselves. The cost for maintaining a property like this is around \$100,000 per year, but you can shortcut that to the tune of only needing about \$10,000 to just do the weed eradication and continue propagating the plants and make sure that the native species are increased. This is the second time we have applied for the Parks Vic grant as a community group to help Defence maintain their land and we have had no communication back on our application.

**CHAIR**—Is that from the state government authority it?

**Ms Lee**—Yes. Landowner cooperation is required and Defence refuse it. We have been told that, having spent a considerable amount of time doing an application for funding, because we cannot get through to Defence we cannot lodge the application.

**Mr McMahan**—We have another one in process. The Natural Heritage Trust has got another deadline next week. If we are to continue putting lots of person hours into putting these applications in—because no one else is going to maintain this land—we will want some satisfaction.

**Ms Lee**—Even at the public meetings that have been held Defence have not had a spokesperson. They have had people in the audience who were acting as observers, but at no stage have they put their case or given us a chance to put our case to them face to face.

**CHAIR**—I thank you for the evidence that you have given the committee. Those issues now are fairly on the *Hansard* record. The representatives of the Defence Estate Organisation will read the *Hansard* and duly address them when they come before the committee again in the next few weeks. Thanks very much.

[4.23 p.m.]

**GREENWOOD, Mr Kerin Brice, Past Vice-President, Royal Victorian Aero Club**

**HAYES, Mr Martyn Robert Edward, Program Director, Aviation Services, RMIT University**

**CHAIR**—Welcome. The committee prefers all evidence to be given at public, but should you at any stage wish to give any part of your evidence in private you may ask to do so and the committee will consider your request. The committee has before it written submissions from RMIT and the Royal Victorian Aero Club. Are there any alterations or additions you would like to make to those submissions at this stage?

**Mr Hayes**—No.

**CHAIR**—I now invite you to make opening statements and then we will proceed to questions.

**Mr Greenwood**—The Royal Victoria Aero Club links with the Point Cook airfield go back some 74 years when the club was first formed and aviation was very much in its infancy. Known then as the Australian Aero Club, its aim in those days was to keep alive the flying skills developed by airmen during the First World War. A change of name to Victorian Aero Club followed and, on 13 March 1935, the privilege and honour to use the Royal appellation was granted. From that time onwards the club has been known as the Royal Victorian Aero Club. The club moved its operations to Essendon Airport and to the newly established Moorabbin airport in 1946, where it has been every since. Today the club is the oldest civilian flying training organisation in Australia and it is very proud of its heritage, its history and the contribution it has made to the development of general aviation in Australia.

The Royal Victorian Aero Club is on the Point Cook field at the invitation of the Point Cook Flying Club and our present involvement is to provide and manage all the flying operations for them. All flying activities are undertaken under our air operators certificate and all flying instructors, being our employees, report to our chief flying instructor at Moorabbin. All club and social activities are the responsibility and preserve of the Point Cook Flying Club, while all promotional activities are a joint exercise between the two respective clubs. We see the Point Cook site as having sound potential for private flying and training from the large and growing population centres west of Melbourne. Apart from its obvious attraction as an airfield with established features—wide sealed runways and taxiways, night lighting, navigational beacon, aircraft and maintenance hangars well away from populous areas et cetera—its heritage and history as the birthplace of the RAAF must never be underestimated. The museum could become a major tourist attraction and the site has potential to become a major educational and learning centre for aviation related activities. The aero club fully supports the initiatives put together by PCOL for the future use of the airfield.

The club's operation is presently hindered by the restrictive access agreement and the inability we have in freely utilising our entire fleet. We presently have three aircraft

permanently on the ground at Point Cook but our difficulty remains with the aircraft on the itinerant list. As aircraft are subject to continuing maintenance, often with little or no notice, we are prevented under this agreement from quickly switching identical aircraft to meet the needs and demands of our customers at Point Cook. We are simply not prepared to place a holding deposit on each aircraft in our entire fleet on the off-chance that one day they may be required to fly into Point Cook. The position is such that our ability to properly service Point Cook, the flying training, the charter business, the tourism business, and the private flying demands from the Point Cook Flying Club have been downgraded as a result of the onerous and inappropriate conditions, we believe, of the access agreement.

Like all commercial activity, flying is subject to competitive pressure and, in the case of Point Cook, such pressure comes predominantly from local airfields in Geelong, Melton Airfield and Bacchus Marsh airport. When assessing access in the future such must be given due recognition otherwise direct aviation activity at Point Cook could become something of the past. Commercial operators will simply bypass Point Cook for fields which are more aviation user friendly and more in tune with the cost pressures and needs of general aviation.

**CHAIR**—The committee has before it your submission dated 12 February which was sent by email. Is that your submission that we are dealing with?

**Mr Greenwood**—The information contained therein still stands. That email did contain detailed concerns that we have with the access agreement, numerous concerns that we have with the access agreement.

**CHAIR**—I will go into that then when I have heard from Mr Hayes.

**Mr Hayes**—I represent RMIT University. Through RMIT University we have established a commercial company known as RMIT International Pty Ltd. We have sought to meet the government's goals for all universities of meeting 50 per cent of their total revenue from commercial sources. One of the activities that we have been undertaking in order to meet those targets is responding to the world wide need for the training of professional pilots.

At the invitation of both the Victorian government and the then National Air and Space Museum we were invited to set up at Point Cook in the former 1FTS building, building 202, with 24-hour access to the airfield to conduct our operations. This was also in keeping with RMIT's business objectives to going from a program where we offered services mainly to domestic students to expanding into the international market. To date we have trained more than 220 Chinese pilots all out of Point Cook which I am happy to say—we are quite proud of this—is more Chinese pilots than any other flying school in the world outside of China and outside of the China Southern Training School in Western Australia.

With the demise of NASMA in 1997 we were then forced to take up negotiations with the Defence Estate Organisation to cement our position at Point Cook. This negotiation was very difficult, long and protracted, and in actual fact we finally signed an agreement in December 2000, three weeks before the agreement was due to expire.

Throughout our history at Point Cook we have been very successful despite the difficulties but there are several instances and occasions which drew a conclusion from us that perhaps the

Defence Estate Organisation did not really want us at the airfield and I think that that feeling was shared by many of the other tenants at the site.

To give you a couple of examples, they did not appear to provide any incentive or any money for the maintenance of the airfield and on a couple of occasions the equipment at the airport such as the runway lighting, the NDB, was unserviceable and they would not provide any funds to fix it. In the case of the runway lighting we were given one hour's notice to cease night flying when we were in the middle of a contract with China Northern Airlines, a multimillion dollar contract. We were told that that was terminal. We pressed them for more information and for a solution to the problem so that we could continue with our contract. They told us that the reason the lighting was not going to be fixed is that it was too expensive. We were told verbally that they were quoted \$50,000 to fix the problems. In fact, RMIT fixed the problems—at its own expense and with the same contractor that was quoting for DEO—for \$2,500.

The other piece of equipment at the site, the NDB, which is essential for navigation was unserviceable for six months. Every time it rained there were problems with the earthing plate. Once again RMIT was forced to foot the bill to fix the device so that we could remain operational and conduct the level of training that we were conducting at the site.

**CHAIR**—How much did that cost?

**Mr Hayes**—It was around \$550, I believe.

**CHAIR**—Did Defence have a quote as to what it would cost them to fix it?

**Mr Hayes**—I have no idea.

**CHAIR**—What was their answer?

**Mr Hayes**—With respect to this particular issue our chief pilot dealt with it. He has just briefed me and told me what the outcome was, but I do not have any details to offer you about the negotiations with Defence.

The other thing I would like to point out which I find a bit extraordinary is that there are two airport managers on site. We are not privy to any concrete evidence, but we understand that the contract for the management of the airport site is in excess of \$320,000 a year to have two managers down there whose salary I would imagine would not be anywhere near that. So somebody is making some money out of it.

**CHAIR**—Who actually gets that money?

**Mr Hayes**—I am not sure of the details. You will have to ask DEO. I understand that there is a management company which employs the two airport managers, but I do not have anything to offer you to substantiate that.

**CHAIR**—Do Defence personnel manage the site seeing it is a Defence site?

**Mr Hayes**—No. It is a private contractor, I understand. In terms of our own airfield agreement and our lease arrangements that has been very, very difficult. DEO insisted that we had two separate agreements—one for the use of the airfield and one for the lease on the building. That was unacceptable to us because obviously we do not want to be stuck with a lease on a building if we cannot fly out of Point Cook. There was an absolutely adamant refusal to combine the two agreements so finally we settled that, if the two agreements could at least be run in parallel with the dates, then we could live with that.

**CHAIR**—That was a major concession, wasn't it?

**Mr Hayes**—It was. Essentially those are the sorts of difficulties that we have had to endure. I would like to now talk just briefly about the positive side of things. RMIT is fully in support of the Point Cook Operations Ltd plan for the site. We can offer a lot of activity in concepts that we are developing that could provide enhancements to the PCOL model and provide the income to support the operation of the site under the PCOL model. I would like to identify a couple of those things. There is continued operation of our flight training activities and we are projecting a large growth in this area. We are currently negotiating with four world airlines for ongoing work and contracts. In a quick calculation, over 10 years that could produce income or revenue if we are successful of about \$28 million export dollars into the site and into Victoria.

We also see an opportunity to move our aerospace engineering facilities to the site creating what we call a Cranfield model based on Cranfield University idea in England. In collaboration with a major airline, there is the possibility for the site to be used for the establishment of an aviation college. We are collaborating with some overseas investors who see the potential to develop an international secondary college at the site; in fact, they have signed an MOU with PCOL towards that aim should PCOL gain control of the site under a lease arrangement. Our faculty of engineering would be involved in that program too and RMIT intend to look at it as the development of model school for education research as well as their secondary college. We see the site as being a possible site for the development of air traffic control training. We have been having discussions with Airservices about what might be for the future. A British company called Serco are also interested in establishing an air traffic control school at the site. With all of the activity that we may bring to Point Cook that I have just mentioned, that brings opportunity for utilisation of the accommodation facilities, the messing facilities. The investors that we are courting at the moment are interested in the development of a multifunction convention centre at the site.

All of this activity complements the plan that PCOL has put forward. We are essentially very much in favour of PCOL's plan for the development of the site for aviation heritage and also as an education precinct.

**CHAIR**—I must say that reading either of your submissions gives no-one any joy as to the relationship either of you enjoy with Defence Estate—I should be quite precise there. Who in Defence Estate have you been dealing with?

**Mr Greenwood**—We have not dealt with anybody in Defence Estate. We have found it extremely difficult to get access to Defence Estate—almost impossible.

**CHAIR**—Is this locally, in Canberra or where?

**Mr Greenwood**—It is impossible to get past KFPW.

**CHAIR**—KFPW being?

**Mr Greenwood**—KFPW Pty Ltd are the agents for Defence Estate.

**CHAIR**—And they are the people clearly mentioned in the Royal Victorian Aero Club submission?

**Mr Greenwood**—Yes.

**CHAIR**—I did not think I saw them mentioned.

**Mr Greenwood**—Yes, they have been mentioned there a couple of times.

**CHAIR**—I do not think they were mentioned in the RMIT submission. I presume—has that been the stumbling block?

**Mr Hayes**—Same with us, yes. We have to deal through KFPW. I might say on that too that, as I mentioned, we did not sign our agreement until just before Christmas, three weeks before it expired, and we have always had to go through KFPW. So every issue that we tried to negotiate was going backwards and forwards through KFPW, so it took a long time to get responses. When we signed the agreement, other than the fact that we have been paying our rent all that time in good faith, we were ordered to pay \$10,000 which was Government Solicitor's fees and also a fee for KFPW. I thought, well, KFPW is their agent so are they getting something from both ends of the stick? I do not know the answer. But it led me to wonder whether KFPW has been getting a management fee from DEO and then charging us another one.

**CHAIR**—So who are KFPW?

**Mr Hayes**—It is a real estate management company.

**Mr Greenwood**—It is a joint venture I believe between Knight Frank and PriceWaterhouse, hence the abbreviation KFPW Pty Ltd. They are professional property managers.

**CHAIR**—And you deal with their property managers as opposed to anyone from Defence Estate?

**Mr Greenwood**—That is right. It has been our experience that they have just adopted a bloody-minded approach right from day one.

**CHAIR**—I think that is well and truly summed up. That is why I confirmed with you, Mr Greenwood, the status of your submission because I think if I were Defence Estate, I would be having a very close look at both of your submissions. Both of your submissions—I cannot test the veracity of them—if they are true, and I have got no reason to doubt that they are not, leave a lot to be desired in the way Defence Estate are being represented by either KFPW in the Aero

Club instance or with RMIT. I do not know if Defence Estate are necessarily aware of that. That is why I asked the question, have you dealt with Defence Estate?

**Mr Greenwood**—Not directly.

**CHAIR**—Have you tried to?

**Mr Greenwood**—We have never been able to get a contact through KFPW. We have been told constantly by them that it is pointless going to Defence Estate, that they are handling the matters at Point Cook and that is where we do the negotiations.

**Mr Hayes**—We did end up getting a meeting with Defence Estate just before Christmas. That was organised for me by the officer commanding of the base, Colin Enery. He put me in touch with Kitty Marmanidis. I organised personally the meeting with her. We discussed across the table many of the issues, and one of the ones that you raised about having the flexibility to exchange aircraft at the site. This was a difficulty for us too. We have 60 aircraft in our fleet and with our projects—we have short-term projects and our fleet grows and shrinks in accordance with the workload and once again replacing an aircraft that needed maintenance and things like was a real difficulty. Largely the airport managers turned a blind eye and just allowed us to get on with it. We put that discussion to DEO and put to them a solution where we suggested that we pay for X amount of aircraft—20 aircraft—an airfield fee for those 20 aircraft, and it could be any one of these 60 and they were quite supportive of that idea. Also, right up until the wire with our lease agreement we did not know whether it was going to be renewed—I think it was 22 December we had this meeting, so it was just before Christmas. That was on our agenda too and they told us they were going to give us a new agreement which we have not seen yet which was going to finally combine—

**CHAIR**—So how long is that agreement for?

**Mr Hayes**—For one more year.

**CHAIR**—Do you think you might see the agreement before the end of this year?

**Mr Hayes**—If I was a betting man, no.

**Mr Greenwood**—You are clearly more advanced than we are because we still do not have a blanket approval on the remaining aircraft in our fleet.

**CHAIR**—So there is a differing standard between the way the Aero Club are being treated and RMIT are being treated?

**Mr Greenwood**—It would appear that way because we cannot get blanket approval. We have not gone direct to Defence Estate, though, I must admit. We have dealt continually through KFPW.

**CHAIR**—And felt obviously from your submission a real sense of frustration in dealing with the organisation.

**Mr Greenwood**—Absolutely. Clearly with KFPW we simply cannot get the message through that aircraft require maintenance on an ongoing basis and maintenance requirements can develop at any one time. We are unable to interchange aircraft without going through this process of having to lodge a deposit on a particular aircraft and sign another agreement. It is a most frustrating arrangement.

**CHAIR**—So they dropped the issue of personal guarantees, as I understand, after—

**Mr Greenwood**—That was dropped at the last moment. We would have left the airport, there is no doubt about that. We would have left the airport. They wanted unconditional continuing guarantees.

**CHAIR**—But they have rejected your request to do away with bank cheques?

**Mr Greenwood**—They insisted on bank cheques when we paid our initial fees.

**CHAIR**—And yet you have been there for 75 years. Are you about to run away?

**Mr Greenwood**—It is commercially unrealistic. It is quite an amazing thing.

**CHAIR**—Can I just ask, who are the members of the Aero Club?

**Mr Greenwood**—Just private individuals.

**CHAIR**—Private citizens.

**Mr Greenwood**—Private citizens.

**CHAIR**—Is there a fee to belong to the Aero Club?

**Mr Greenwood**—Yes. There is an annual subscription of \$100 and for that you get all the benefits and social activities, access to the bar at Moorabbin. It is predominantly a club of people that have an interest in aviation.

**CHAIR**—And you predominantly operate out of Point Cook?

**Mr Greenwood**—Out of Moorabbin.

**CHAIR**—And you use Point Cook?

**Mr Greenwood**—We operate the flying activities for the Point Cook Flying Club. We undertake their flying operations for them. So we operate at Point Cook. We are there at the invitation of the Point Cook Flying Club.

**CHAIR**—In your submission you referred to:

Further disappointment came to light when clause 9.1.2 appeared on deadline signing date namely the 29 February 2000. This clause had been inserted without any notification or opportunity by us to comment. Rejection we were informed

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would mean we withdraw from the airfield immediately. Acts of this nature can be expected perhaps from “Louie the Lip” at “Louie’s Second Hand Car Sales” but not from our Federal Government.

I must say I think that was very nicely put but obviously it is concerning when you find at the last moment in the negotiations—

**Mr Greenwood**—The day of signing.

**CHAIR**—The day of signing, you have got an extra clause. So you stick by that?

**Mr Greenwood**—On the day of signing it was brought to our attention that this clause had been inserted—and a pretty powerful clause, too—which exempted entirely the Commonwealth from having to do any maintenance whatsoever to the airfield.

**CHAIR**—Have you experienced a similar clause, Mr Hayes?

**Mr Hayes**—We have experienced numerous occasions where we have had drafts of agreements come through after some negotiation on some issues and then we get an attaching letter that basically says, ‘Here it is on Friday, sign it today otherwise Monday you are not there any more’. That is an exaggeration but that is the same sort of thread that comes out in the correspondence. So when it comes to us getting an answer from them about an issue it could take weeks or months, but when it comes to them getting something to us and wanting something back from us, it is a few days notice otherwise you are out.

**CHAIR**—In the case of maintaining the lights I think you said that the quote for the contractor to DEO was \$50,000 yet the same contractor did it for \$2,500 for you. Why would one and the same contractor do it for \$2,500 for you and \$50,000 for DEO? You might understand under those circumstances that DEO would say no, and if it is the incident that we have been told about earlier, it basically boiled down to changing a light bulb.

**Mr Hayes**—I have got some copies of letters here which you are welcome to have.

**CHAIR**—We would love to have copies of those I can assure you.

**Mr Hayes**—Basically it says there due to the prohibitive cost of the repairs, we were ordered to cease flying forthwith, and in the telephone conversations that followed—

**CHAIR**—Could I just stop you there. Could that have been interpreted as a breach of the contract on their part, or did they have an out which gave them that right?

**Mr Hayes**—In the letter it also says ‘We never warranted to let you use the runway lights’. Even though we had the access to the airfield and, thereby, the facilities at the airfield ‘We never warranted to let you use the runway lights’. Our solicitor in RMIT had a very different view on that because we had been there for four years and using it all that time. Basically, that was the tone of the letter. When we discussed this with them verbally, and I can say it is only verbal, we said ‘You have said it is the prohibitive cost of the runway lights being fixed, how much is it going to cost?’ They told us over \$50,000. We just could not believe that—to change some light bulbs. In actual fact, the system works on three phases. Phases two and three which are

manually switched were operating. There were some lights that were out but, it being an unlicensed airfield, our chief flying instructor, who is duty bound to CASA in terms of due diligence and so on, was saying that it was safe and he was happy for it to run, but DEO said no. They asked us to hand over the keys of the box where you do the manual switching to make sure that we could not do it.

**Mr Greenwood**—Was that DEO or KFPW?

**Mr Hayes**—Through KFPW. In actual fact, getting the runway lights that were out fixed for phases two and three cost us around \$700. Then getting the full system fixed, phase one is pilot activated by radio signal, that cost us the balance up to \$2,500. We asked the contractor that fixed it the question, ‘How come DEO were being quoted so much?’ His answer to us was that the way they tender for it and what they require in terms of insurance and all those sorts of things, you cannot do anything but inflate the price to protect yourself. That is basically the contractor’s response to that question.

**CHAIR**—So it was a matter of DEO shifting the risk onto the contractor rather than bearing any of the risk themselves which by your account was fairly minimal anyway.

**Mr Hayes**—Yes.

**CHAIR**—Mr Greenwood, did your organisation have trouble with the lights as well, and were you asked to contribute to the costs?

**Mr Greenwood**—No, I am not aware of that difficulty. Our operation is much smaller than RMIT’s out there at Point Cook and we may not have been doing any night flying in that particular period. I really cannot comment.

**Mr Hayes**—We lost about three or four nights due to this problem, and getting it sorted out. We were in the middle of a major contract with China Northern Airlines and it was an eight week program. We had to deliver the training within that eight week program. The students were already booked on flights to return to China and so on. We could not afford to lose any time in order to be able to deliver our contract. That was a \$2.2 million contract and for us not to deliver would be very expensive. So we were happy to pay \$2,500 to have it fixed but we should not have to.

**CHAIR**—And did you recover that out of your contract price?

**Mr Hayes**—We did not charge the client, but we had sufficient margin in the contract to cover it and we were happy to do so.

**CHAIR**—All I can say is that I am stunned at the way you people have been treated, if this is correct.

**Mr Hayes**—Can I just add that the same goes for the maintenance on the building. The airconditioning is continually breaking down. We are told by the contractors that it really needs replacing because it has been neglected for so long, and all the fixes that they are doing now is

just to get it going again. So the same applies there. We pay a lease on the building and getting maintenance on the building is very difficult.

**CHAIR**—Are there any problems in terms of maintenance for the Aero Club?

**Mr Greenwood**—No, because we do not have any lease arrangements there. The Point Cook Flying Club would have lease arrangements. We operate out of their premises. So I am just unsure. I am not aware of any difficulties they are having with lease arrangements, though.

**CHAIR**—Really, at the end of the day, RMIT are looking for commercial certainty and so the sooner the fate of the site is determined the sooner you can then set about putting proper commercial contracts in place to give you certainty as a business to operate. Is that fair enough?

**Mr Hayes**—We are continuing to negotiate contracts. Of course there is considerable risk attached to that, but we cannot tread water on our business and miss the opportunity to develop what is a growing industry—there is a worldwide shortage of pilots and we are in a very good position to capitalise on that and bring those export dollars into Australia. If we sit around waiting for DEO for a decision to be made then we will certainly miss the boat.

**CHAIR**—And in respect of the Aero Club, it is fair to say that most, if not all, of your members are recreational users?

**Mr Greenwood**—Not all. A number under training there do have aspirations of becoming professional pilots, but the majority would be recreational users, yes.

**CHAIR**—But no matter what their status might be you are seeking some sort of certainty as to—

**Mr Greenwood**—Absolutely. We would hope that the PCOL proposal does get up and we see Point Cook as being an ideal place for private flying and recreational flying into the future.

**Mr Hayes**—Can I also add that Point Cook is the only facility in Victoria capable of providing what we need to be able to deliver the sort of business that we are in at the moment with that flight training.

**CHAIR**—Do you people have any relationship with the State government in Victoria?

**Mr Hayes**—Yes. Our vice-chancellor is represented on the committee that was formed by John Brumby, the Minister for State and Regional Development, towards the government's view on the retention of Point Cook, so we do have representation on that committee. And there is a group of people of course involved in that that all want to see a place for aviation in Victoria. The closure of Point Cook—and of course eventually Essendon will close too—will seriously downgrade the available infrastructure within Victoria and we certainly would not be able to do the sorts of export training contracts that we are currently undertaking.

**CHAIR**—Mr Greenwood?

**Mr Greenwood**—Yes, we are in total agreement with that comment. We do not have any representation at state government level, but we certainly agree entirely.

**CHAIR**—All I can say is I fully understand your dilemma. Defence Estate will read the *Hansard* of today's proceedings and I am sure that we will have an interesting session when we finally get to meet with Defence Estate. I thank you very much for the very clear and open presentation that you have put to this committee, both in your written submissions and in your verbal submissions here before the committee today.

**Committee adjourned at 4.58 p.m.**