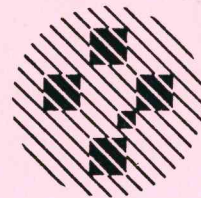


Minister for  
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23 OCT 1985



Reference 84/3282 Pt2

The Shire Secretary  
Shire of Phillip Island  
P.O. Box 44  
COWES 3922

Dear Mr Hayes

SCENIC (HOLIDAY ISLAND) ESTATE

I refer to your letter dated 12th September, 1985 seeking reconsideration of the Government's position in respect to possible purchase of land on Holiday Island Estate.

Unfortunately I must re-affirm what was stated in my letter dated 15th August, 1985; that is, that the Government is not in a position to fund purchase of the land. This view has been formed on the basis of the following considerations:

1. Reluctance of the Government to spend taxpayers' money on land purchase outside the conservation buy-back program where there are no over-riding grounds of an ethical nature or of an anomalous nature largely attributable to Government.
2. Any purchase of inappropriate subdivisions is undertaken through the Department of Conservation, Forests and Lands, largely on the basis of its assessment of the conservation significance of the land. Within Victoria I understand that some 45,000 lots have been identified as being 'old and inappropriate'. Allocation of funds is therefore in accordance with a priority based on such conservation significance.
3. The estate was not subject to any "back-zoning", nor has there ever been any expectation given to owners that the land would be zoned residential, notwithstanding the size of the lots.

There is no inherent right to develop land and compensation for loss of speculative return, or for loss of expectation to build on land purchased by owners up to approximately 25 years ago is not favoured. If the Government acceded to such a request an inordinate number of landowners throughout the State would have a similar claim with resultant **huge costs**.

4. It is within Council's province to:
  - a. amend the planning scheme to prohibit development of this area other than at rural density.
  - b. waive rates for the estate until such time as this land can be consolidated and used for rural purposes.
  - c. defer action for recovery of rates through acquisition and resale of lots until such time as this land can be consolidated and used for rural purposes.

As a long-term project it may be feasible for Council to consider purchase along the lines indicated in your recent circular to owners. That is, purchase for \$500 (less unpaid rates where applicable) using a proportion of the income generated by other large areas of vacant residential land which is a significant benefit in terms of rate income as identified in the Phillip Island Strategy Plan Summary Strategy Plan.

Thank you for your correspondence keeping me informed about Council's actions in conducting a survey of landowners.

Yours sincerely

EVAN WALKER  
MINISTER FOR PLANNING AND ENVIRONMENT