

SUMMARY OF THE RESPONSE BY CLARENCE CITY COUNCIL
TO THE
MAJOR PROJECT PROPOSAL BY CHAMBROAD OVERSEAS INVESTMENT
AUSTRALIA PTY LTD FOR DEVELOPMENT OF A HOTEL AT KANGAROO BAY

CHAMBROAD'S OWNERSHIP OF THE LAND IS IN DISPUTE

The Clarence City Council (**Council**) is presently the purchaser of the land that is the subject of Chambroad's major project proposal (**MPP**) under an uncompleted contract for sale of the land.

Any attempt by Chambroad to deal with the land in a manner inconsistent with the Council's asserted right to ownership will necessarily be met by appropriate litigation to preserve that right.

If the Council becomes the owner of the land under that contract, all action taken in respect of the MPP in the interim will be rendered nugatory, with consequent waste of very considerable public monies and other resources better directed to other purposes.

In the circumstances, the Minister should not embark upon any consideration of the MPP, even at the threshold stage of determining eligibility.

THE MPP IS NOT ELIGIBLE FOR A MAJOR PROJECT DECLARATION

A project is eligible to be declared to be a major project if, in the opinion of the Minister, the project has **at least two** of the following attributes:

- (a) the project will have a significant impact on, or make a significant contribution to, a region's economy, environment or social fabric;
- (b) the project is of strategic importance to a region;
- (c) the project is of significant scale and complexity.¹

The Clarence Council does not believe the project has any of the necessary attributes because:

1. The Act intends that major project status should be strictly reserved for developments of a scale, impact or complexity that set them apart from other developments of similar character. That is, developments that have extraordinary features that will produce a significant impact on, or make a significant contribution to, a *region's* economy, environment or social fabric, beyond the *municipal area* in which the development is to be located, and hence be of strategic importance to the region.²

¹ These attributes are prescribed by s. 60M(1) of the LUPAA.

² The relevant region in this case is the Southern Region of Tasmania. That is (as defined by Gazette notice 21192 dated 25 October 2011) Brighton, Central Highlands, Clarence, Derwent Valley,

Chambroad acknowledges that its proposed development (**Project**) is not of significant scale and complexity.³ However the Council says that consideration of whether a proposed development has that attribute is still important.

2. The Project involves a small hotel which has no adjunctive facilities such as a training school, shopping precinct, cultural institution or recreational and sporting or fitness facilities that are open to the general public.

It will provide no more than a basic combination of accommodation and dining facilities.

There is nothing unique about the Project that will have any significant impact on, or make any significant contribution to, the economy, environment or social fabric of the Southern Region outside the Clarence municipal area greater than any other existing hotel of similar scale and character.

Hence, it does not qualify for major project status.

3. To grant major project status to this proposal will do no more than grant preferred status to a commercial development that does not have the necessary attributes, in the interests of the developer rather than the Region, thereby setting an unsatisfactory precedent for future proposals of similar scale and character, which the scheme established by Part 4, Division 2A of the LUPAA is not intended to take outside the normal planning process.
4. Chambroad's MPP advances numerous nebulous propositions concerning "vibrancy", "annual visitor spend", "jobs", "socially inclusive activities", and provision of increased accommodation, but those are benefits that any comparable small hotel would deliver.

Chambroad has abandoned in this proposal a feature of its earlier development proposal approved by the Council (an adjunctive hospitality training school) that arguably might have elevated it to the relevant status, but even that in itself did not lift the project to a significant scale and complexity such as to justify removing it from the ordinary planning process, pursuant to which the Council had previously granted approval.

5. The Project is not, from a planning point of view, at all complex. It invokes no more than ordinary planning principles and presents no greater challenges or responsibility than most planning proposals dealt with by municipal planning authorities throughout the State on a daily basis.

In fact, on any reasonably objective view, this proposal presents lesser challenges and responsibility than comparable or significantly larger and more complex recent developments, occupying sensitive locations, for which it is apparent major project status was not thought to have been necessary.

Glamorgan Spring Bay, Glenorchy, Hobart, Huon Valley, Kingborough, Sorell, Southern Midlands and Tasman municipal areas.

³ MPP, p. 2, par. 1.3

For example, MACq 01, Mövenpick Hotel, and the Novotel Hotel presently nearing completion in Macquarie Street.

Whilst the focus here is on hotel developments because that is what the MPP proposes, there are many other recent developments of greater significance, scale and complexity for which major project status has apparently not been thought necessary. A significant example is the current House of Kiefer project at Mona involving considerable further development of an institution that already has an immense continuing impact on, and contribution to, the economy, environment and social fabric of the entire State.

6. A grant of major project status for this project will bypass the normal planning process, which LUPAA entrusts to municipal planning authorities.

The only reason advanced by Chambroad to justify that special treatment is an unfounded allegation of bias supported only by allegations that the Council is generally opposed to Chambroad's right to develop the land (MPP, page 3) and that councillors have effectively pre-determined any assessment of the project (MPP, page 4) both of which assertions are egregiously misleading.

The Council gave Chambroad the right to develop the land, approving in 2017 the construction of a hotel and associated training institution, and Chambroad having failed to achieve substantial commencement, the Council is now simply asserting its contractual right to resume ownership of the land.
