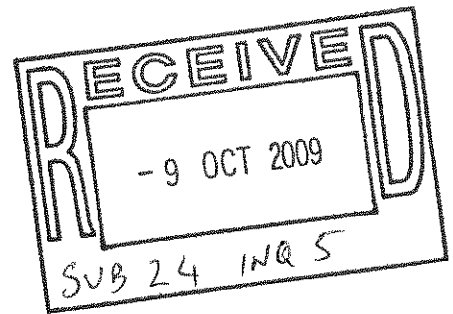


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6th October 2009-10-07

Outer Suburban/Interface Services
& Development Committee
Parliament of Victoria
Spring Street
EAST MELBOURNE. 3002



Dear Committee Members

SUBMISSION

Please read and consider the submission I have prepared regarding the Impact of the State Government's decision to change the Urban Growth Boundary and the plans announced by the Government to introduce an increased development contribution tax for land in designated growth areas.

Legislation of this Purposed tax on a minority group of the community is unjust and unfair.

It is recognised there will be a need for funds to finance the proposed urban growth but this should come from taxes imposed on developers, Government Taxes and in some circumstances a user pay system may even be necessary.

Is this project to big? Is another question. There are landowners who could be suffering unnecessary emotional and financial worry as it is possible that the plans for the future "Melbourne 2030: - Delivering Melbourne's newest sustainable communities" could be amended, altered or even totally abandoned.

I have attached a published article in "the age" on 17th July 2007 which states that a new State Government report said that plans to build thousand of homes on

Melbourne's fringe would cost around \$40 billion more than if they were built in existing suburbs where infrastructure already exists.

Should the Growth Areas Infrastructure Contribution be legislated these funds may not be used for the purpose for which they were collected. Would these funds be returned to those families from which they were collected?... Planning Minister Justin Madden said in that article the Government expected to collect \$2 billion in growth areas taxes over the next 20 years to pay for infrastructure.

I have underlined several points of interest in this particular article for you to consideration.

On the 8th October 2009 it was reported in the "Herald Sun" that guidelines will be launch by Planning Minister Justin Madden to enable councils and planners to create master plans for new precincts of more than 3000 homes. I have enclosed a copy of article which also contains the statement "Planning experts have slammed urban sprawl and called for higher density living to create sustainable housing.

Another problem I foresee with this proposed GAIC is that not all properties are equal so why should a set figure of \$95,000 per hectare be fixed. A property which is located close to the existing developed suburbs, current services, facilities and infrastructure is going to be developed in a shorter timeframe so therefore in most circumstances with sold for a higher price and than a property with a timeframe for development which is ten to twenty years away.. It would be unjust to expect all vendors to pay the same amount of tax.

Due to this reasons it seems fairer that the developer should be paying the infrastructure tax at the time of development. Two reasons being. They can build the tax into the price of the land release and tax will only be paid on land which will be developed.

In NSW the levy is payable at the point of development and we need to follow this plan here in Victoria.

Should the GAIC tax be introduced to be payable at the point of sale landowners will suffer in many ways. They may be forced to sell due to ill health, divorce, death, dividing up inheritances or due to high municipal rate increases. Once so much land is rezoned the developers will have a big bargaining power over landowners as there

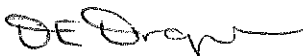
will be a flood of land available and developers will be able to control the price they are willing to pay to owners who unfortunately need to much a quick sale. In some cases the landowner could be left with a debt once the GAIC is taken out of the selling price.

After 3½ years inside the UGB 61% of property sold in the Cardinia Shire earmarked for long term development sold under \$200,000 per hectare. This is a lot less than the \$365,000 the Planning Minister and Growth Area Authority has told people that the land will be worth if rezoned for development. Once the GAIC is paid there will not be a lot left for the owner.

A tax should not be imposed on hard working people in the community who had the foresight to work and purchase land close to Melbourne as part of their superannuation plan for their old age, on others whose forefathers before them bought farms close to Melbourne and now by the stroke of a planning persons pen find their farms are now caught up in this situation and others who just choose a place where they were happy to live. Landowners in the UGB who are not rezoned in this proposed plan fear they could be next. None of these people deserve the uncertainty, emotional strain and in many cases financial hardship these proposals bring

I provided the above information and opinions to be considered by the whole committee and that you will gain some understanding of how I believe the proposed UBG plan and proposed introduction of the GAIC would affect ordinary farmers and working class people. I would appreciate the opportunity to be invited to take part in the public hearing which is planned on the 20th and 24th October, 2009. Should you wish to contact me regarding my submission I would be pleased to assist you

Yours faithfully



Dianne Draper

Attached articles (2)

Suburban sprawl costs billions more

JASON DOWLING AND CLAY LUCAS

July 17, 2009

PLANS to build thousands of homes on Melbourne's fringes will cost Victorians around \$40 billion more than if they were built in existing suburbs, a new State Government report shows.

In an embarrassment for the Government on the day that submissions close on its plans to further expand Melbourne's urban growth boundary, the report released on Wednesday shows the total cost of building homes in new outer suburbs is more than double that of building in existing areas.

The added costs include extra infrastructure such as power, water and transport, as well as higher health costs and greenhouse gas emissions.

The report, commissioned by the state Department of Planning, cites research that found "for every 1000 dwellings, the cost for infill development (in existing suburbs) is \$309 million and the cost of fringe developments is \$653 million".

Last December, Premier John Brumby announced plans to expand Melbourne's urban growth boundary to accommodate 134,000 new homes in the next 20 years.

Based on the planning department's report, those 134,000 new homes in fringe areas will cost Victorians more than \$40 billion over coming decades in extra infrastructure costs than if built in areas with existing infrastructure.

The higher economic costs of outer suburban development were noted in a report about increasing development along Melbourne's tram lines. The *Residential Intensification in Tramway Corridors* report was commissioned by the Department of Transport and produced by SGS Economics and Planning, with Design Urban and the City of Melbourne.

The city council's design and urban environment director, Rob Adams, has been one of the most influential figures in planning inner Melbourne over the past two decades. In 2008, he was named the Prime Minister's Environmentalist of the Year.

Last year, Professor Adams began work with the state transport and planning departments on the tram corridors study.

At a Planning Institute of Victoria forum on Wednesday night, Professor Adams said the "hidden costs" of building in outer Melbourne were massive.

"The hidden costs of development, of 1000 houses built on the periphery of the city or the fringe of the city, are \$300 million more than 1000 houses in the city," he told 150 planning consultants and bureaucrats.

Professor Adams said that separate research by Griffith University showed that allowing Melbourne to expand further would hurt future generations.

"We are building in poverty," Professor Adams said. "If we carry on building the way we are building, we will spend \$110 billion more than we need to on building in the wrong places."

RMIT University associate professor Michael Buxton, who advised the Victorian Government on its planning strategy *Melbourne 2030*, which was originally aimed at containing urban sprawl, said the Government had to redirect development from Melbourne's fringe into established suburbs.

"That takes planning, it takes governments to intervene and change the planning rules, and this Government doesn't believe in this level of intervention," Professor Buxton said.

"(The Government) doesn't want to take on the outer-urban property industry.

"To get this kind of change, the Government would have to completely change its ideology, and it's not prepared to do this. So the result is business-as-usual bad practice and huge cost to the community."

But Property Council chief executive Jennifer Cunich said: "Anecdotal evidence to us tells that infill development is quite difficult to achieve."

Ms Cunich said while Melbourne's urban growth boundary should be expanded to accommodate the city's booming population, development in existing suburbs should also be made easier.

Planning Minister Justin Madden has previously said the Government expected to collect \$2 billion in growth areas taxes over the next 20 years to pay for infrastructure at the time new suburbs were developed.

Last night Mr Madden's spokeswoman, Sofia Dedes, said the Government was working to provide new homes across the city: "To ensure we meet the needs of Melburnians well into the future, we need to provide a variety of affordable housing and lifestyle options that cater for people both in established areas and on the fringes."

Developers required to conform to new regulations to cut Melbourne sprawl

- Matt Johnston
- From: *Herald Sun*
- October 07, 2009 12:00AM
- [85 comments](#)

MELBURNIANS will have to live in smaller houses on smaller blocks as authorities try to stop the spread of McMansions and improve the city's transport networks.

Developers will be required to fit 15 homes to a hectare in our fastest-growing suburbs.

And they will have to show potential buyers how far they will have to travel to schools and jobs.

The tough new planning guidelines aim to create vibrant communities and local employment rather than empty, sprawling suburbs.

The guidelines will be launched by Planning Minister Justin Madden to enable councils and planners to create master plans for new precincts of more than 3000 homes.

The guidelines are not legally binding but will assist planning approvals.

In areas such as Casey-Cardinia, Hume, Whittlesea, Melton and Wyndham, developers will be expected to provide a mix of homes including one-person units and home/offices.

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Developers also will be encouraged to ensure people who move to growth suburbs can walk to local centres, transport and jobs to reduce reliance on cars.

Mr Madden said the plan was to create communities rather than housing, so families could raise children and work locally.

The State Government wants to see more community-based plans for large-scale developments to stop "dormitory suburbs".

Planning experts have slammed urban sprawl and called for higher density living to create sustainable housing.

Developers will be required to prepare an "employment statement" showing the number and type of jobs forecast for new communities.

Growth Areas Authority chief executive Peter Seamer said the guidelines built on interim guidelines set up in 2006. Apart from a "journey to work" statement, "The guidelines will also bring native vegetation and cultural heritage into the mainstream planning process to ensure protection of bush land and indigenous cultural heritage."

They also must set out how public space will be used and when community infrastructure, such as schools, will be available to residents.
