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10 October 2009,

Mr Sean Coley, Executive Officer,
Outer Suburban/Interface Services and Development Committee,
Parliament of Victoria
Parliament House, Spring Street,
East Melbourne, Vic. 3002.

UGB Submission-GAIC impact on the small land owner/farmer.

Dear Sir,

Our submission concerns the impact the Growth Areas Infrastructure Contribution will have on small land owners/farmers when brought into the UGB. Our area is under investigation for UGB December 08 and has not yet been rezoned.

Quite a lot of the residential properties in our area of Devon Meadows have been taken out of the UGB due to their smaller size and only a few of us remain in the investigation area.

These remaining properties are basically 10 acres or less (ours being 7.8 acres) and would not gain the big windfall that the Minister for Planning claims happens once your property is rezoned into the UGB.

I would also like to point out these properties all have established homes and while the govt say 'stay and subdivide and you won't have to pay the GAIC on your 2 ha principle place of residence', well how are we going to earn a living without land and especially not gaining a huge windfall when only selling the rest of our small property, in our case 2.8 acres. And then what?

We can't earn a living growing vegetables on the couple of acres we have left surrounding the house. Not gaining the windfall or having enough land to bargain with developers plus having the GAIC imposed will not leave us with much money to relocate.

Now the answer to this some might say is not to sell and just stay put and keep farming, well this would be fine except for the council rates.

We have been told these will increase to exorbitant prices and we will not be able to stay and pay them and be forced to sell hence activating the GAIC tax.

There are also other things to consider such as capital gains tax and maybe even land tax. However we are unsure about the latter. Like most others we also have a mortgage to service.

While we appreciate the Govt needs more land for urban growth, imposing a tax like the GAIC of 95K per hectare on the small land owner or farmer is unreasonable and just doesn't work.

If we could just pack up and move to a similar sized property not too far way and keep growing veges we would, but we can't afford anything now as we are at a disadvantage having to pay a GAIC of 300K on the first point of sale after rezoning of the UGB. We are in our mid 50's and think it unwise to get in over our heads with a huge mortgage we can not service.

Impact of the GAIC on UGB Rezoning for large property owners/farmers.

On the matter of when the GAIC should be paid our opinion is; it should be paid at the time of development.

Definitely not at the point of first sale and not at the time of Precinct Structural Plan as the latter two there will not be a 10 fold increase as stated by the Minister for Planning.

Only at the time of development will the land increase significantly enough for anyone to be able to afford the GAIC.

We appreciate you taking the time to consider the impact the GAIC will have on the small property owner/farmer and our opinion of when the GAIC should be imposed on properties in the UGB.

Yours faithfully,

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