

Submission to the Victorian Parliament's Outer suburban / Interface Services and Development Committee inquiry into the State Government's decision to change the Urban growth Boundary

## Terms of Reference

Received from the Legislative Council on 29 July 2009

### **Inquiry into the Impact of the State Government's decision to change the Urban Growth Boundary**

That pursuant to the *Parliamentary Committees Act 2003*, Outer Suburban/Interface Services and Development Committee is required to inquire into, consider and report on the following:

The impact of the State Government's decision to change the urban growth boundary on landholders and the environment and plans announced by the Government to introduce an increased development contribution for land in designated growth areas, including —

- (a) the likely quantum of the collections by Government;
  - (b) mechanisms to ensure the contributions are directed only to the intended purposes;
  - (c) the likely impact on the housing and development industries;
  - (d) any unintended consequences including the impact on all landholders and purchasers to be impacted;
  - (e) any displacement or replacement of Government spending likely to result from the increased collections; and
  - (f) any alternative options, including any used in other jurisdictions;
- and to report by 30 November 2009.

This submission is made by David and Elizabeth Trenerry, the owner/ residents of Braemore Homestead, 1700 Merriang Road Whittlesea. In so doing, we seek leave to appear before the Committee of Inquiry should this be possible. Our property is not located within the proposed new Urban Growth Boundary (UGB) but is directly impacted by:

1. The positioning of the proposed new UGB
2. The development of the proposed Donnybrook/Beveridge Intermodal Freight Terminal ( IRFT ) insofar as the terminal is proposed to be sited on land immediately in front of our property.
3. The proposed route of the Outer Metropolitan Ring Road/E6 Transport Corridor.
4. The proposal to introduce a Growth Areas Infrastructure Contribution tax ( GAIC ) in that it introduces a new tax on residents of certain parts of Victoria and in particular residents within our local community whose properties have been brought within the proposed new UGB

## **1. Positioning of the proposed new UGB - Intermodal Rail Freight Terminal (IRFT)**

1.0 The GAA Report titled Delivering Melbourne's Newest Sustainable Communities Outer Metropolitan Ring E6 Transport Corridor Planning Assessment Report released in June 2009 called for public comment and feedback by 17 July 2009.

The report however did not call for public comment on the proposal to establish the IRFT. Its failure to do so, is particularly significant as the IRFT appears to be the major catalyst in determining the path proposed for the path of the E6 Transport Corridor. Why otherwise does the proposed route of the E6 reach its apex at the point where the IRFT is to be located and then track south down High street following a path all the way back to the existing Western Ring road? Far from being an outer metropolitan ring road the E6 simply follows a path north to the proposed IRFT and then tracks south to join into the existing ring road.

1.1 This leads to the next question as to why the IRFT is to be sited where it is proposed. No consideration is provided as to alternative sites considered, although clearly there are alternatives further to the south or indeed north on suitable land and indeed land which would not be overlooked by residential property as is the case with the proposed siting. It would make far more sense to locate the IRFT facility as an extension to existing zoned industrial land at the point where the Sydney to Melbourne rail line intersects the Hume Freeway in proximity to Craigieburn. This would negate the need to establish the E6 Freeway in the path proposed and make use of the existing WRR and its connectivity to the recently opened Craigieburn Bypass freeway which establishes appropriate north/south access for transport movements.

1.2 If the solution has to meet the needs of short term planning then an appropriate site or sites for the proposed IRFT should **not** be on productive agricultural land but on already designated industrial zones such as at Craigieburn or near Melbourne airport with a rail link to create a Melbourne airport/Craigieburn/ interstate intersection. The Western Ring Road already services this region which would reduce costs and would take away the need for the E6 Freeway. If population projections define the need for more freeway access then the Western Ring Road which already exists could be widened in much the same way as the M25 in England was widened replacing the need for a new freeway there. Again, it is more cost effective to upgrade than to create a new freeway which eats up existing productive agricultural land.

1.3 The proposed IRFT will both degrade and destroy the landscape. The landscape selected for the site is environmentally sensitive land - land which is of both historical and cultural significance. Further, it makes unviable particular and diverse agricultural activity currently undertaken and adversely impacts the natural attraction of the area to tourism. If proceeded with, a significant access route to the City of Melbourne will appear as an industrial site ( in excess of 3000 acres ) rather than maintaining a picturesque rural gateway to the city.

1.4 Should the IRFT proceed on the land so hatched, it would have a significant adverse visual impact for all property owners in the hills on the eastern side of Merriang Road turning farmland and an ecologically sensitive environment into a landscape dominated by truck depots, containers sheds etc. on a massive scale. Our property in particular is of historical significance being National Trust classified and listed on the Register of the National Estate, Canberra. It is a bluestone homestead built c1859 and is the most significant homestead in the City of Whittlesea whose original land holding encompassed the whole of the area now proposed for the IRFT over which it would look. The assumed requirement for 24 hour operation with attendant truck movements and security night lighting will create light and noise pollution on a scale and intensity totally unsuitable and damaging to the local environment. There will also be a substantial adverse impact on the township and adjacent residential area of the township of Beveridge.

1.5 One plausible explanation for the proposed siting of the IRTF is that more than 50% of the land designated for the site is owned by a prominent developer. The property Camoola is situated immediately to the North of Beveridge Lane. The western boundary is the Melbourne to Sydney rail line and the eastern boundary aligns with Merriang Road.

Significantly also is that on the 28th November 2008 500 acres( 209.1 HA) of land on the South side of Beveridge Lane was sold for a price which is understood to be significantly in excess of its agricultural land value. Its western boundary is the Melbourne to Sydney rail line and its eastern boundary is a point midway between the rail line and Merriang Road.

*Interestingly too is that if settlement occurred on the 28th November, no GAIC tax would be payable as the GAIC becomes effective from 2nd December 2008.*

## **2.0 A Practical Alternative**

2.1 The solution to the issue of an appropriate site relies on the need for a long term deep sea Victorian port which would be connected by rail links. On the 22 January 2008, (Herald Sun) trucking magnate, Lindsay Fox claimed that using rail from a deep sea port in Western Port Bay would be a far better long term option than “huge truck traffic” coming from the recently dredged Port Phillip Bay port, which is so close to the city centre to distribution hubs. He said “ Most other countries come into a deep water port and then use rail to move the “ containers to interstate distribution centres. <sup>1</sup>Rail links are more cost effective and more environmentally friendly than building expensive duplicating freeways.

## **3.0 Environmental Impact**

3.1 The proposed E6 transport corridor will have an adverse impact from an environmental perspective on areas already under stress. In particular the river red gum forest on the basalt plains with dependancy on groundwater with high levels of salinity have already been adversely impacted by the developments taking place north of Epping. The proposal to establish the E6 Freeway will further exacerbate this problem. The freeway would severely impact critically endangered grassy woodlands with concomitant effects on biodiversity. The impact on flora and fauna would be significant with real potential for the loss of species which survive uniquely in the areas which would be impacted by the implementation of this proposal.

3.2 The potential for establishing alternative conservation areas as offsets as proposed in the GAA report is simply not viable as the conditions in the areas contemplated in the report have different rainfall patterns and soil types. It is clear that the approach to consideration of the environmental impacts of the proposal have been by way of desktop studies by Engineering contractors without the specialist knowledge required to make the impact assessments required. We are not aware of field studies having been carried out in the northern areas impacted by the proposed E6 route.

3.3 Significantly, it is clear that an Environmental Impact Assessment (EIS) has not been conducted covering the areas impacted by the proposal. An assessment should be conducted before any further steps are taken given the size and scope of the proposal as it will impact the Northern area and in particular the Upper Merri and Merri Creek areas significantly. In contrast to the approach adopted

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<sup>1</sup> Lindsay Fox interview sky News reported in the Herald Sun 22 January, 2008.

by the GAA, the EIS must be undertaken by properly qualified consultants. This must be done before any consideration is given to rezoning the area for development in the way envisaged within the GAA Report.

3.4 The Government should consider other options before approving industrial and infrastructure development in this region. A Sensitivity Analysis should be undertaken having regard to the area's indigenous history and its early European historical significance. Additionally, sustainable land use, including existing agricultural activity must be identified and assessed with an understanding of environmental and societal impacts before decisions are made concerning proposed industrial activity.

3.5 The region designated for the IRTF is situated at the edge of the world's third largest basalt plain. This area has many ancient, significant natural features. As an important component of the geological structure of the Western Basalt Plains, its mainly flat topography is enhanced by the Merri Creek which begins further north at Heathcote Junction and ends at Dight's Falls where it meets the Yarra River; and by the foothills and sporadic volcanic rises of the Great Dividing Ranges. Evidence of fossils suggest it was once an inland sea. Following the Merri Creeks course through this region, it is clear it has a significant visual, ecological, and environmental impact on this landscape. The GAA Report states that in some places, bore water is found 4m. below the surface. When was this survey undertaken? Was it during the summer in the midst of drought conditions? If so, there should be regular testings to discover the average levels over at least a twelve month period, if not, over a longer period. The Beveridge swamp is located inside the area designated for the IRTF as are the flood plains which expand around the Merri and Darebin Creeks. These are not "flood prone" areas as cited in the Government Report but - flood plains. Flourishing clusters of ancient river red gums, native grasslands, and other important indigenous flora, and fauna, ( including many endangered grasses and seeds of native flora, rare bird and common reptilian species) are currently, amply provided for, by the Merri Creek's essential life force and the managed grasslands which are specific to this unique eco-climate. Farmers have managed the landscape well over generations since settlement. Good farming practices which protect the local flora and fauna is evident across the region. Conclusively, this area is more suited to agricultural practices than urban development.

3.6 The geology of the area comprises of the effects left from the last lava flow from several, temporarily dormant volcanic rises such as Hayes Hill, Mt Fraser and Bald Hill. In this regard, we refer the Inquiry to a recent article in the Age newspaper of 21 /9/ 2009 by Julia Medew. The article quotes Associate Professor Bernie Joyce of the University of Melbourne, indicating that Victoria is overdue to experience a volcanic eruption ." the geological record shows that new volcanoes have erupted perhaps every 2000 years in the past 40000 years and given there has not been a major eruption for the past 5000 years a significant eruption seems well overdue" he said. This supports the argument that if public money is to be spent establishing costly infrastructure it does not make sense for that expenditure to be carried out in an area of high risk from activity such as that referred to by Professor Joyce.

3.7 At the present time, the geography of the area provides not only a green wedge which separates dense urban development from rural and semi-rural practices but plays a part in precipitating weather patterns around Melbourne. With ever decreasing and diminishing rainfall we cannot afford to develop a polluting industrial site in this fragile environment without considering climatic

and environmental impacts<sup>2</sup>. Development of the area proposed will only put further stress on an already fragile area

3.8 On many occasions, fires have spread at great force across the Plains from the foothills of the Dividing Ranges.<sup>3</sup> With global warming, there will be an increase in fire activity a point acknowledged in submissions made to the current Royal Commission into the 2009 Victorian bushfires. This will pose a dangerous threat to proposed communities and the IRTF. This was most recently in evidence on the 7th February this year when the path of the Kilmore East fire was tracking directly towards Beveridge before the fatal windshift which took it into the Mount Disappointment / Kinglake area. and beyond.

8. It is cited in the proposal for the E6 Freeway that a section of Bald Hill may be subjected to excavation. As has been iterated, this requires further analysis of its potential impact before any proposed development takes place. ***Bald Hill is a highly significant site in Victoria's history.***

#### **4.0 History and Cultural Impact**

4.1 Indigenous ownership and European early history must be fully respected by the State Government.

4.2 There is evidence of more sites of significant past Aboriginal activity than the 28 of 128 referred to in the Government Report. (2.3.1.1 p.37). One such site can be identified by an early colonial lithograph depicting Wurrundjeri Willam people camping on the banks of the Merri Creek.<sup>4</sup> The original owners of this land living from the bounties supplied by this essential tributary which feeds into the Yarra. Other evidence of Aboriginal presence along the Merri and Darebin creeks and surroundings, the volcanic cones including Mt Fraser and Bald Hill, the grasslands that feature across the region. Evidence includes sacred scatter stones, scar trees and camp sites.

4.3 John Sherwin, Pastoralist and early Parliamentarian MLA and MLC, (1811 – 1867), builder of historic Braemore Homestead, 1700 Merriang Road, Beveridge purchased the lithograph below of aboriginals fishing and camping on the Merri Creek, by Troedel, when it was first produced in 1864. This sacred site would be desecrated by the proposed IRTF. The Government should re-examine this area by inviting Aboriginal Elders to report on the cultural significance of the Merri Creek and its surrounding volcanic hills. ***Our original landowners should have a say on the proposed destruction of their sacred sites.***

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<sup>2</sup> Locals recall the area as very wet during winter months before modifications to the Merri Creek. Stephen Skinner's Diary gives good accounts on daily weather patterns from the period 1861 –1871. See FN 7

<sup>3</sup> In the 1960's fires destroyed major building at Woodstock and Donnybrook.

<sup>4</sup> The Troedel lithograph has remained in the family, with the story, for over one hundred years. Sherwin Archives, private collection.



*Merri CREEK. ( 1864.) [picture] Tinted lithograph; sheet 40.0 x 52.0*  
*Date(s) of creation: [1864]*

4.4 Hamilton Hume and William Hovell on their epic journey to explore the lands south from Sydney arrived at the volcanic plains south of the ranges on the 14th December, 1824, when they climbed what is now known as Bald Hill but they named, Mt Odomoter. From here, they could see the sea, for the first time since leaving Sydney. It was here, on that day, they claimed “the soil in all this tract of land is excellent”. They saw reptiles and birds such as the blue mountain parrot , the first they had ever seen. They were able to access potable water only 3 feet below the surface. There was evidence of indigenous people living here whom they encountered during friendly meetings in the following days. From Mt Odomoter they said they looked SE and W to view plains and forests extending to the utmost edge of the horizon. “Nothing could surpass the beauty of this view” Hovell wrote. <sup>5</sup>

***The significance of the first exploration to this part of Victoria should not be dismissed but celebrated. In other parts of the world, an important heritage site such as this would be brought to the attention of the population and seen as an asset - as a tourist attraction. Its importance as a place must be recognised and protected.***

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<sup>5</sup> Hamilton Hovell, *Diary*: 1824/25

4.5 Studies which focus on the diary (1861 – 1871), of the Schoolmaster of Merriang Village, <sup>6</sup>Stephen Skinner – a previously unknown author of treatises on Education relating to the Education Act of 1872 are currently being undertaken. Skinner provides insights and evidence of thriving communities and many historical events including services conducted at Merriang by the first Bishop of Melbourne, Charles Perry, and Prince Alfred's visit in 1867 to Mt Fraser- to his complex relationship with John Sherwin, M.L.A. and M.L.C. for the County of Bourke. The daily entries deliver records of weather conditions, colonial concerns, and everyday activities. <sup>7</sup> An archaeological study should be undertaken immediately to ascertain the full extent of the imprint of our early settlers. ***The City of Whittlesea has delayed the study which was proposed and we would strongly recommended that this study should be brought forward not by a private company, but by an institution such as La Trobe University.***

4.6 Another major figure, well documented, is Ned Kelly, who lived at Beveridge. The original house where he grew up still remains. With the extent of the Urban Growth Boundary and proposed housing estates at Beveridge, this site must be protected at all costs.

4.7 Gold was discovered at Donnybrook in 1848 and was mined well into the Twentieth Century and was discovered at Merriang and Glenvale in 1851. <sup>8</sup> Quarries in this region have provided resources for road and building constructions throughout Victoria. ***We have recently discovered that the Beveridge Quarry which was a pure source of basalt and scoria is to be in filled with discarded concrete and cement. What will that do to the water table?***

4.8 Camoola near Beveridge is significant as the place where the great horse, Carbine, together with other important Victorian horse-racing winners were bred and trained by Dan O'Brien. <sup>9</sup> Camoola is listed "A" by the City of Whittlesea 's Heritage Study. ( 7.02) BUT would be destroyed if the proposal to establish the IRTF was to proceed or would be significantly compromised.

4.9 There are many publications which feature this area as a rich source for the early history of Victoria. <sup>10</sup> W. Payne's first study, *The Plenty*, was followed by several essays and limited editions of his life study of the City of Whittlesea and beyond. Michael Jones in *Nature's Plenty: A History of the City of Whittlesea* provides rich examples of the importance of the area over the nineteenth and twentieth centuries. Also, Plenty Valley Arts and local historians from the Whittlesea Historical

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<sup>6</sup> Merriang Village has not survived but was between Woodstock and Beveridge. We are working to reinstate the name as during Black Saturday Merriang Road and its surrounds were unknown to the CFA and DSE.

<sup>7</sup> Trenerry, Elizabeth, *Stephen Skinner Preceptor at Merriang*, Unpublished manuscript.

<sup>8</sup> Jones, Michael, *Nature's Plenty: History of the City of Whittlesea*, Singapore, 1992, p.48

<sup>9</sup> Local historian Robert Wuchatsch has recently published *Dan O'Brien: The Original owner of Carbine:- a history of Victorian horse racing*, Published 2009 See pages 12, 13, 14 for a description of *Camoola* known as *Springvale Farm* in the mid nineteenth century.

<sup>10</sup> Ellem, L., *The Australian Experience in the Plenty Valley*, Plenty Valley Papers Volume 2, La Trobe University, Bundoora, 1996. Ellem, L., *Constructing the Plenty Valley*, Plenty Valley Papers Volume 3, 1998 (Unpublished).

Society have published many works that features the cultural and artistic experiences of the region.

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4.10 Many records, articles, artifacts and photographs relating to this area are held by the Whittlesea Historical Society. Renowned artist, John Borrack, amongst other famous artists including Tom Roberts, Arthur Streeton, William Frater, Lloyd Rees, John Perceval and Fred Williams have been captivated by this area's spectacular panoramic views and their paintings are held in major institutions around Australia and overseas.<sup>12</sup>

European history is easier to trace than the story of its original owners. European settlements and villages sprang up during the early days of Settlement. Elements still exist today and should be examined by archaeologists before any development is considered.

There are dozens of significant nineteenth century houses, fences and bridges that are identified on Heritage Victoria's, the City of Whittlesea and other neighbouring municipalities databases which must be protected from development.

4.11 Stone walls are a very important feature of this region. In particular, very good Nineteenth Century examples exist on farms on both sides of Epping Road from Woodstock to Epping, and on Donnybrook Road. The heritage significance of stone walls was celebrated in an exhibition held at the City of Whittlesea Civic Centre from 1 – 28 April, 2002.<sup>13</sup> It is imperative that we do not bulldoze this region's rich history to make way for the E6. Heritage and archaeological studies are requirements that should be undertaken immediately.

4.12 The need for a Green Wedge: Viable farming practices acknowledged and supported. This region has the potential to be a tourist attraction in its own right if there is support from Local, State, and Federal Government.

4.13 At present, there are viable pastures which flourish as a result of the rich volcanic soil of the area. This soil should not be taken for granted and made to be the foundation for urban and industrial development.

4.14 The retention of green belt is important environmentally, to sustain indigenous plantings and to allow farmers to manage the land. Many farmers in the region are the descendants of families who have farmed the land since early settlement. They understand and manage the land.

This area provides many examples of diverse farming practices. The Donnybrook Cheese Farm east of the Hume Freeway on Donnybrook Road, has from 1997, been awarded major prizes in Australian cheese-making including a Gold Medal for the Best Parmesan, 2009. Their livestock flourishes from grazing on the mineral enriched grasses that are a feature of the basalt plains. The milk expressed is rich in important nutrients. The great variety of hand made cheeses and other dairy products made from traditional methods. Their products are sold in supermarkets around the

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<sup>11</sup> Ellem, L., *The Cultural Landscape of the Plenty Valley*, Plenty Valley Papers, Volume 1, La Trobe University, Bundoora, 1995. Haese, Richard, "The great tradition : landscape Painting in the Plenty Valley", , pp. 88 – 95, *The Cultural Landscape in the Plenty Valley*, Plenty Valley Papers, Volume 1, la Trobe University, Bundoora, 1995.

<sup>12</sup> Payne, J.W., *The Plenty, A Centenary History of the Whittlesea Shire*, Kilmore, 1975. Payne, J.W., *The History of Beveridge*, Kilmore, 1974. Limited Edition.

<sup>13</sup> See [www.astoneuponastone.com](http://www.astoneuponastone.com)

State and at Farmer's markets. The farm shop and new restaurant on site, is fast developing into a landmark tourist attraction.

4.15 At Woodstock there is an olive farm where the owner's family have been farming the property for over 100 years. They have planted groves 'on the contours of the land preventing possible land degradation through erosion on undulating hills.' In 2008, Merri Merri Olive Oil was amongst the first signatories to the Australian Olive Association Code of Practice. Olive groves are fast developing as the region as it is recognized as perfectly suited for growing olives Given this regions proximity to the CBD, imagine the tourist opportunities, if the Government could see beyond a developer's vision to one that would create jobs, protect the environment and create a new tourist destination for Melbourne?

4.16 Cattle and sheep farming also provides a living for many serious farmers as does the introduction of new stock, such as Al Pakas and goat herds. Importantly, the NMIT vineyard and horse stud is another successful enterprise in this region. Farmers with the support of landcare groups have taken on the responsibility of managing land care and re-vegetation around the Merri Creek and beyond. The activities undertaken have the potential to compliment the Yarra Valley in creating sustainable agricultural pursuits and tourism. However all of these activities will be detrimentally effected by the proposed developments outlined in the GAA Report are proceeded with.

## **5.0 Growth Areas Infrastructure Contribution tax ( GAIC )**

5.1 We are not directly impacted by the proposed GAIC of \$95,000 per hectare to be indexed annually upon the sale or subdivision of property within the existing and proposed Urban Growth Boundary. (UGB). However we are on the other side of the road from the proposed UGB and therefore vulnerable to it's extension in the future and therefore the imposition of the tax should it be allowed to become law as part of the Governments proposal.

Other members of the community are however directly and immediately impacted. The GAIC establishes a principle not previously applied to the sale of property and must therefore be subject to broad public scrutiny and comment.

The principle of levying a flat rate tax of \$80,000 or \$95,000 per hectare on the person registered on title irrespective of the value of the land is flawed.

\* No other State or Territory levies a Tax on the Landowner irrespective of whether or not development is to take place.

\* Retrospective application from 2 December 2008 without prior warning is unfair.

\* The proposed tax has unfair social implications

\* Levying the tax as a flat rate without consideration of:

- the sale price of the land
- the development timeframe for the land
- the nature of the property

Is unfair, inequitable and regressive.

\* Levying such a tax on developable land inside the UGB but not charging it on developable land

outside the UGB lacks logic, consistency and has the potential to lead to distortions in the property market.

5.2 One consequence of the proposal is that a mortgage registered over a property would rank second to the GAIC. In our area property owners are already being refused finance by lenders and institutions who deduct the GAIC from the market value of the property. This means people are in many cases unable to borrow because they are deemed by the lending institutions to be in breach of the institutions lending covenant or the amount they can borrow is constrained. This has already in some cases led to people having in effect, “negative equity” in their property. We assume it also has the potential to have a serious impact on a Developers’ ability to access funding for the purpose of development.

5.3 In the event that a will directs that a property should be sold, the GAIC would apply, thereby directly impacting inheritance. Further, in the event of a marriage breakdown which requires the sale of property the GAIC would apply. For a tax to impact certain Victorian families in this way is discriminatory and unfair.

5.4 In our area, land to be brought within the extended UGB is unlikely to be developed for anywhere between 15 - 25 years. However, the State Government consistently states that such land will immediately realise a tenfold uplift in value to an average \$365,000 per hectare or an uplift in value in a range from \$225,000 to \$450,000 + . This may have some validity for land subject to development in the immediate short term but is grossly overstated for land which has long term development potential. It also fails to distinguish between farms where the existing per hectare value is likely to be of the order of \$20 to \$30,000 and small acreage lifestyle properties. The lifestyle properties have a value per hectare well in excess of agricultural land, typically \$90 to \$120,000 per hectare and therefore do not stand to make the windfall profits which the Government attributes to all land brought within the UGB.

In summary if a hectare of farm land with short term development potential increases from \$30,000 per hectare to \$365,000 per hectare there will be more than a tenfold uplift in value. However if a small holding ( Say \$120,000 per hectare) has short term development potential , there is approximately a threefold uplift in value. To levy a flat tax at the same level in both circumstances substantially penalises the smallholder, is inequitable and unfair, both in terms of price and equity.

Further, if the land in both cases has long term development potential then the uplift in value will not be realised in either case for many years but the tax will still be levied on the first sale of property. The price realised by the seller will be lower and the tax take as a % of the sales proceeds will be proportionately higher.

The more likely impact in our area is that once land is brought within the UGB, Local Councils will immediately increase Council rates, putting an untenable squeeze on the landowner. This in turn is likely to lead to them falling prey to Developers wishing to acquire land as they become distressed sellers over time.

The GAIC is grossly unfair in application. On the GAA’s projected range of uplift in land value (which we say is erroneous) for the reasons stated above, \$95,000 per hectare represents a tax impost in excess of 40% of the proceeds of sale of a hectare of land at the lower end of the GAA’s range (refer 3 above). Whereas at \$450,000 the upper end of the GAA’s range the tax is approximately 21% of the proceeds of sale per hectare.

The tax is therefore regressive, inequitable and unfair.

5.5 It is our view that the Tax must be levied at the time at which development takes place.  
To do otherwise places an unfair burden on ordinary people with harsh financial and social outcomes.

5.6 We are aware that the Government has proposed the establishment of a hardship panel. This would be unnecessary if the proposed Tax itself was fair and simple. Further, such a panel, if resourced within Government would lack independence and therefore perceived fairness. No such approach is required in any other State or Territory because it is not required.

5.7 We have approached the Australian Taxation Office who have indicated there is no clarity in relation to the interaction between the GAIC and Capital Gains Tax (CGT), creating even further uncertainty as to the ultimate impact of introducing the GAIC.

5.8 As we have said, our property does not fall within the proposed extension of the UGB. However, insofar as the proposed GAIC is concerned, we consider it is our right as concerned citizens to comment on a Tax which is flawed in its design and unfair in its proposed application.

## **6.0 Conclusion**

6.1 We oppose the extension of the Urban Growth Boundary. Far from creating new sustainable communities it actually destroys existing sustainable communities. It also adversely impacts sustainable land use and has detrimental impact from an environmental, cultural and historical perspective.

We are opposed to the establishment of the Outer Metropolitan Ring E6 Transport Corridor due to the adverse impact it would have on the environment, existing communities and land use in an area of the State which is of cultural and historical significance.

We oppose the development of the IRFT because of its adverse impact on the residents of Beveridge and Merriang, the local environment, its adverse impact on an area of historical and cultural significance and because there are alternative sites available without the need for the rezoning of the area of land previously zoned green wedge now proposed for development in the GAA Report.

We oppose the GAIC which we consider is unfair, inequitable and regressive in application. We consider that any tax levied should be at the point of development

6.2 We understand that this submission enjoys Parliamentary Privilege and so ask that it is not made public or published.

David Stanley Trenerry and Elizabeth Meryl Trenerry

11th October 2009