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Land release linked to infrastructure fee

The release of more than 24,500 hectares of development land around Melbourne is in doubt despite a Victorian government announcement yesterday that it had finalised its preferred shape for an extension of the city's urban growth boundary (UGB).

Companies which stand to gain from the government's confirmation of the areas it has targeted for land release include Lend Lease, Mirvac, MAB Corporation and private developer Amex Corporation.

But opposition parties have signalled they could still block the legislation needed to release the land.

Planning Minister Justin Madden said the changes would help to manage Melbourne's long term growth by ensuring land supply and keeping house prices affordable.

But Mr Madden also insisted the boundary changes would not proceed without parliamentary approval of the controversial Growth Area Infrastructure Contribution (GAIC).

"our government is not prepared to alter the UGB without implementing GAIC - to do so would leave growing communities without infrastructure and only increase profits for developers," he said.

The government needs support from either the opposition or the Greens to have the UGB and GAIC passed through parliament.

The Greens, while not opposed to the GAIC in principle, have called for an inquiry into the UGB changes before they will consider voting on the land release. Opposition planning spokesman Matthew Guy said he harboured serious concerns about the FAIC and accused the government of blackmail by linking the passage of tax law to the land release.

"This is holding a gun to the head of the development industry and landholders," he said.

Housing Industry Association executive director Jennifer Cunich said any expansion of the boundary would be rendered useless by the GAIC.

Planning Institute of Australia Victorian president David Vorchheimer said the government's move to link the two important laws was "very manipulative" and the timing was "questionable".

"We support the concept of the GAIC that ensures the appropriate public infrastructure is provided when the people arrive in new communities," he said.

Charter Keck Cramer director Bradley Papworth said precinct structure plans were still needed to address issues such as native grassland loss and to set out the propose use for land.