

Alarm over infrastructure fee

Mathew Dunckley

Victorians inheriting land on Melbourne's fringe from relatives could trigger huge infrastructure charges on deceased estates, the state opposition has warned.

The government has proposed a new growth areas infrastructure charge (GAIC) to apply to land bought inside Melbourne's urban growth boundary.

Under the proposed scheme, when that land is sold the vendor will have to pay the GAIC at a rate of \$19,500 per hectare. Opposition planning spokesman Matthew Guy said he was concerned that transfers to family members and inheritances could trigger the fee.

KEY POINTS

- The growth areas infrastructure charge will apply to land inside Melbourne's urban growth boundary.
- Vendors will have to pay GAIC at a rate of \$19,500 per hectare.

"It just shows the government has not thought through the issues with this legislation," he said.

Mr Guy said the government's approach had been haphazard and had resulted in uncertainty because it had not worked through the detail of its policy.

"The industry is working off a press release and a flyer; the whole

idea at this stage is half-baked."

The GAIC's implementation is proving a vexed issue for the government and it has already had to allay concerns from developers that they could face large upfront charges.

When the issue of family transfers was raised in Parliament, Planning Minister Justin Madden said the government was still holding discussions on many issues.

"The infrastructure charge that comes from that uplift at the sale of land and the technical arrangements about transfers of sales will be worked out with the development industry," he said.

Mr Madden said it would be "unpalatable" to allow landowners to receive a windfall from having

their property moved within the growth boundary but then not have to contribute to the cost of infrastructure to develop that land.

"There will be a charge where the uplift occurs because of the change in the urban growth boundary and the fine tuning of the technical elements about that are being worked through with the development industry," he said.

Victorian Farmers Federation chairman Simon Ramsay said when farms were sold to farmers the GAIC should not apply.

"We would not want to see the costs associated with the transfer of land within the urban growth boundary when the land is still being used for agriculture," he said.