



Media release

27.10.2016

More collection but no real spending by Victorian Government as infrastructure backlog continues

The Urban Development Institute of Australia (Victoria) has criticised the Victorian Government on the levy amounts set for local infrastructure contributions which will add a minimum of \$7000 to the price of every new house in Melbourne's growth areas.

The levy amounts were set today by the Minister for Planning through a Ministerial Direction as part of the Infrastructure Contribution Plan (ICP) system for Melbourne's greenfield growth areas.

"The cost to a new homebuyer purchasing a single lot in these new areas will be at least \$7,000 greater than they were last year," said Danni Addison, Victorian chief executive of the Urban Development Institute of Australia (UDIA).

Introduction of the levies into the ICP system follows the recent decision by Government to amend the Planning and Environment Act 1987, which repeals Growth Areas Infrastructure Contribution (GAIC) exemptions to land subdivided for public purposes.

"The Victorian Government has only spent approximately four per cent of the GAIC it has collected since its introduction in 2010, and now it has increased local infrastructure charges paid for by homebuyers, by 50 per cent per dwelling," said Ms Addison.

"There's a lot of money being collected, yet we are not seeing where the funds are going and the infrastructure backlog is simply not being addressed in the areas that need it most."

The new ICP levies mean there will be a 50 per cent increase in charges when compared to the average in July 2015. The new levies are, on average, 17 per cent higher than the most current development contribution plans, and more than 16 per cent higher than the suggested amounts identified in a government commissioned report.

"Only last week the UDIA emphasised the industry's issues with GAIC, which enables State Government to charge landowners for the handing over of land for state infrastructure purposes, and we called on Government to stop their assault on the development industry.

"This week we have a new levy that means there is a 50 per cent increase in the average for development charges when compared to July 2015," said Ms Addison.

"Victorians are struggling with a very serious housing affordability crisis yet the State Government continues to make decisions that increase the price of housing for the public."

-ENDS-



ABOUT: URBAN DEVELOPMENT INSTITUTE OF AUSTRALIA

The Urban Development Institute of Australia (UDIA) is a nationally recognised body that advocates for Australia's urban development industry. In Victoria, the Institute informs and engages government and industry members, **enabling better policy and better business decisions.**

With a primary focus on the residential property sector, UDIA protects and promotes over 350 member companies across Victoria including developers and a range of other professionals involved in producing, financing and marketing residential property.

MEDIA CONTACT

Hyatt Nidam

Marketing and Communications Manager
Urban Development Institute of Australia (Victoria)

E: hyatt@udiavic.com.au

T: 03 9832 9600

M: 0478 415 105