



29 May 2018

Paul Broderick  
Commissioner  
State Revenue Office, Victoria  
121 Exhibition Street  
MELBOURNE VIC 3000

Dear Paul,

### **Delays in providing GAIC payment certificates**

The Victorian Division of the Urban Development Institute of Australia (UDIA Victoria) is the peak industry body for the urban development sector, representing the views of over 320 member companies across the state. Our members include developers, consultants, financial institutions, suppliers, government authorities and utility companies. Together we drive industry discussion which informs ongoing engagement with all levels of government and key regulators to achieve successful planning, infrastructure, affordability and environmental outcomes.

A key component of UDIA's advocacy agenda relates to encouraging the timely provision of new housing supply and infrastructure across the Melbourne greenfield market. With respect to the role of the State Revenue Office (SRO) in this regard, there are significant industry concerns around the time taken by the SRO to issue certificates confirming payment of the Growth Areas Infrastructure Contribution (GAIC).

The SRO allocates 10 business days for GAIC certificates to be issued. Any time over this 10 business day allocation, is considered an unreasonable delay due to the relatively straight-forward nature of the task and the flow on effects the delay has on other aspects of the process to bring land to market. Delays in processing are further exacerbated by the SRO's outdated policy that certificates cannot be provided electronically and must be posted to the recipient.

Specific consequences of SRO delays in issuing GAIC certificates include:

- Delayed ability to lodge the plan of subdivision, which then delays the creation of titles and the ability to bring lots to market;
- Delaying essential infrastructure in growth corridors; and
- Affecting the management and processing of end of financial year (EOFY) accounts for developers.

The abovementioned impacts are particularly concerning in context of current Melbourne greenfield market conditions. March 2018 data from UDIA Victoria partner Research4, shows the median lot price has increased by 9% over the quarter to \$330,000 per lot, which represents an annual increase of 31%. This rapid price growth is largely attributable to several delays in the post Precinct Structure Plan (PSP) process, which is manifesting as record low stock levels that fall short of meeting market demand. It is widely recognised across industry and government that prices will continue to increase rapidly unless we reduce delays and drive efficiencies that enable more stock to come to market at an appropriate pace to satisfy demand.



As demonstrated below, examples from April 2018 show our members are currently waiting up to 16 business days after date of request to receive a certificate from SRO confirming payment of GAIC.

**Developer:** National Pacific Properties

Project & Stage	# of affected lots	GAIC certificate requested	GAIC certificate received	Time taken
Hartleigh, stage 8	37 lots	4/04/2018	27/04/2018	16 business days
Eliston, stage 7	37 lots	9/04/2018	26/04/2018	12 business days
Eliston, stage 8	29 lots	9/04/2018	26/04/2018	12 business days

**Developer:** Satterley

Projects & Stage	# of affected lots	GAIC certificate requested	GAIC certificate received	Time taken
Habitat, stage 13	64 lots, in addition to 1 road & 1 super lot	9/04/2018	26/04/2018	12 business days

Further, the examples provided below from 2017 show similar waiting times, indicating that this is an ongoing issue. Please note some project details been retracted to respect confidentiality requests.

Stage	GAIC certificate requested	GAIC certificate received	Time taken
Stage 5 and 6	05/05/2017	25/05/2017	14 business days
Stage 9	17/05/2017	05/06/2017	13 business days
Stage 10	19/06/2017	11/07/2017	16 business days
Stage 12 and 13	18/07/2017	23/08/2017	26 business days
Stage 14	19/07/2017	07/08/2017	13 business days

UDIA Victoria urges the SRO to take immediate action addressing the delays in issuing GAIC payment certificates, particularly in the lead up to June 30, at which point the delays will cause additional complications for developers settling their EOFY accounts.

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We recommend increasing resources to ensure GAIC certificates are issued within the acceptable 10 day timeframe. Further, we strongly urge the SRO to accept GAIC applications via email, rather than solely via traditional mail, which would reduce the time taken for developers to receive their GAIC certificate.

We thank you for your engagement with UDIA Victoria, and we look forward to ongoing collaboration that will increase efficiencies associated with the GAIC payment process.

If you have any queries, please do not hesitate to contact Hyatt Nidam, Advocacy and Communications Manager at [hyatt@udiavic.com.au](mailto:hyatt@udiavic.com.au) or on 03 9832 9600.

Yours sincerely,

A handwritten signature in black ink that reads 'Danni Addison'. The signature is written in a cursive style with a long, horizontal flourish underneath the name.

**Danni Addison**  
Chief Executive Officer  
Urban Development Institute of Australia, Victoria