

14 September 2021



Dear Treasurer Pallas
Cc Christine Couzens MP, Minister Pearson

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Meeting request re: Windfall Gains Tax Meeting from the Committee for Geelong

The Committee for Geelong works collaboratively with an authoritative group of stakeholders and influencers to support our city-region's growth. Our members include local, national and international organisations and individuals who set aside commercial gain, sectoral interests and personal perspectives to provide a united voice on the issues facing Geelong and surrounds.

We write to follow up our request to meet with the Treasurer or your advisors and the Department of Treasury and Finance regarding the proposed Windfall Gains Tax.

We understand that the Government is intending on legislating for its new Windfall Gains Tax (WTG) in 2021 – to commence in July 2022. Committee for Geelong supports well designed taxes and charges and Government investment in regional areas. However, we have significant reservations about the proposals.

Some key concerns we wish to discuss are set out below:

- **Money raised in Geelong should be spent in Geelong.** We believe that proceeds from the WGT will flow to consolidated revenue. We strongly recommend a model where money raised in regional areas like Geelong was spent in Geelong. We are one of Australia's fastest growing cities and have significant needs for infrastructure to plan for that sustainable growth.
- **Impact on Social Housing.** Geelong's Social Housing Strategy relies on capturing some planning land value uplift to fund local social housing projects. We are concerned that the WGT will remove, in practical effect, this avenue to fund social housing.
- **Housing supply.** Geelong desperately needs new land rezoning to maintain active trading estates. We are concerned that needed projects might be 'mothballed'.
- **Central Geelong.** The Central Geelong Planning Framework which includes rezoning is being finalised. We are concerned about any uneven impact of the WGT and how that impacts on competitive neutrality. Project costs could vary materially across the street.
- **Competitive neutrality.** Melbourne greenfield projects pay the GAIC only. Geelong greenfield developers will pay far higher taxes than competitor Melbourne projects. This puts Geelong at a significant competitive disadvantage.

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- **Project quality.** We are concerned that project viability will be impacted and that developers might seek to strip cost leading to mediocre development outcomes.
- **Transitional provisions.** We would prefer a model where transitional provisions protect existing projects and that the new tax only capture future projects.

The Committee for Geelong has advocated for a GAIC-like growth charge for many years. This includes statements in our submissions to the City of Greater Geelong's draft Settlement Strategy /C395 planning scheme amendment. This includes the following points:

30. CfG recognises that with strong population growth comes the demand for infrastructure, services and facilities. It is important that contributions are gathered to fund necessary infrastructure. CfG are of the view that each growth area should fund necessary infrastructure on an equitable basis via preparation and implementation of an infrastructure contributions plan (ICP).

31. In addition, in recognition of the total quantum of projected growth, consideration should be given to the possibility of introducing a Growth Areas Infrastructure Charge (GAIC) equivalent charge for Geelong. The GAIC equivalent charge could be gathered from individual growth areas and directed toward delivery of shared, higher order infrastructure.

SOURCE: [C395-Panel-Submission-12FEB2020-FINAL.pdf \(committeeforgeelong.com.au\)](#)

As a key stakeholder in Geelong, we would appreciate time to discuss these matters with you. If you have any questions please contact me on M:0413 241 033 or

jennifer.cromarty@committeeforgeelong.com.au

Kind Regards



Jennifer Cromarty
CEO, Committee for Geelong

