

media release



MASTERS OF OUR INDUSTRY

Master Builders Association of Victoria
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Master Builders gives big tick to government for action on development contributions

The Master Builders Association of Victoria has today enthusiastically endorsed the announcement made by Minister for Planning Matthew Guy to reform the development contribution system.

Development contributions are payments made by developers that go towards works such as bicycle paths, drainage and open space.

The current development contribution scheme is confusing, time consuming and makes housing less affordable.

Welcoming the Minister's announcement today, Master Builders Executive Director Brian Welch said "Today's announcement is a terrific start to begin addressing the widely varying scale of development contribution levies across different municipalities."

"By our own estimates, development contributions on a \$150,000 block can range from between \$4,000-\$11,000 and open space contributions from \$7,500-\$11,250."

Developer contributions can also lead to lengthy delays in development start ups due to the inconsistent nature in which they are assessed and administered.

"Delays equate to extra costs which are then passed on to the home buyer," Mr Welch said.

"According to some builders, inconsistencies associated with developer contributions can delay projects by up to thirty days in extreme cases."

In his statement today, Minister Guy flagged the potential for standard, pre-determined levies for developments in like settings, with similar land uses.

Mr Welch went on to say "The Master Builders wants to see streamlined policies that remove impediments and make the process of building a home a simpler, more predictable and affordable."

Mr Guy also announced the formation of a reference committee, with representatives from industry and local government bodies. The Master Builders Association will be a member of this reference committee.

"I look forward to working with developers and local government representatives to develop a plan of action to bring long awaited certainty and efficiency to the development process," Mr Welch said.

Following the recommendations of the reference committee, Mr Guy has expressed his desire to see a policy ready for implementation by early 2012.

Media enquiries:

Brian Welch, Executive Director, 0411 501 075

Laura Luvara, Media Adviser, 0466 777 059 lluvara@mbav.com.au