

Tax hurdle cleared

By Cam Lucadou-Wells

The proposed rezoning of Sandown Racecourse for a 7500-dwelling estate is expected to be free of the state's new windfall gains tax, according to its owner.

Melbourne Racing Club had feared a potential \$200 million tax bill on its planned 16,000-resident suburb.

Since the law passed in late 2021, the MRC has resumed its push for a planning scheme amendment through Greater Dandenong Council.

An MRC spokesperson said on 9 February that windfall gains tax exemptions still needed to be "tested against the legislation".

"Our reading is the tax does not apply to Sandown."

The tax applies to developers, who gain windfall profits from the rezoning of land from 1 July 2023.

It applies at a rate of up to 50 per cent of a land's increase in value.

Sandown's proposed rezoning from 'special use' to a 'comprehensive development' zone was estimated to increase the site's value from \$100 million to more than \$500 million.

Greater Dandenong Mayor Jim Memeti last year was in favour of the tax applying to Sandown to invest in schools, services and facilities in the area.

He told Star Journal this month that he was satisfied if the law applied equally to all developers.

"If they are exempt, then everyone in the same position should be exempt. No one should be getting special treatment."

Cr Memeti, who had been opposed to the overly-dense proposal, said he felt "a lot more comfortable" due to the project being split into



Race 1 31st March 2021. 233074

four development stages.

"It's a good thing. As you develop, you can see where you need to make changes. Also the market will dictate what's required in the area.

"But I'm going to be guided by the consultation with the community as well and what the locals think. They're closest to the area, they're the ones who use the streets."

Councillors were set to decide on whether the rezoning will progress to community consultation – followed by a council vote, Cr Memeti said.

Subject to the council's approval, the rezoning proposal goes to the Planning Minister for a final decision.

The Planning Minister also has powers to "call in" and decide on the project.