

FINANCIAL REVIEW

Property

Further Link doubt

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Victoria's **East West Link** road project faces more uncertainty after the state opposition said it would allow owners of compulsorily occupied properties to stay put.

Labor's spokesman on planning, major projects and infrastructure Brian Tee said if elected in the November 29 state election, the party would reverse the compulsory acquisitions that took effect on Thursday after they were gazetted by Liberal premier Denis Napthine's government.

With just over five weeks to go until the election, Labor – which says it will stop the \$8.6 billion road-and-tunnel project if it takes power – leads the government in opinion polls.

"Those who want to stay can stay and those who've sold up and moved on – we won't be requiring them to come back," Mr Tee told The Australian Financial Review.

"There are some quite technical provisions in place and we'll obviously comply with those, but our commitment is to be as flexible as we can be to meet individual circumstances."

While the processes around compulsory acquisition of land for public projects – as happened on Thursday with the 102 properties specified – do permit the buyback of land after acquisition, the possibility of not having to move only complicates matters for the 18 or so businesses affected, Hunt & Hunt lawyer Anton Dunhill said.

"Business must make a commercial decision about whether to claim business disruption or business destruction, which is usually based upon valuation advice," he said. "But it is difficult to determine

which direction to take if there is a possibility you may be able to retain the business on its existing site."

Barry Rosenberg, the owner of 110-year-old family owned -Provans Timber & Hardware in Clifton Hill, one of the sites acquired last week, said he would like to keep his business going, but didn't know enough to make a decision.

Owners haven't yet received -letters from the Linking Melbourne -Authority, which is overseeing the **East West Link**, of the price they will get for their properties. The final figure is subject to -negotiation. Minister for Roads and Public Transport Terry Mulder said local and foreign financiers and contractors would notice the "absolute lunacy" Labor was contemplating.

"Victoria would struggle into the future to get genuine expressions of interest for our major projects and those who did would seek -significant financial guarantees to bid for projects under a Labor -government," he said.

The news didn't give residential owners certainty, said James Milne, a spokesman for lobby group Residents Against the Tunnel.

"With Labor's best intentions, it will be a complex thing to -manage," he said. "With these things, it's always in the detail."

Mr Milne said the government compulsorily acquired more properties than it needed in the Clifton Hill area in the late 1970s - when it was building the Eastern Freeway that will now connect with the planned tunnel - but put later back them to the market or out for development. Mr Tee said Labor wanted to act quickly if elected.

"We want to move as quickly as we can to resolve the uncertainty," he said. "That applies to businesses as well as to residences."

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Timestamp	23 April 2015 16:32