

# Growth Areas Infrastructure Contribution Fund

Application Guidelines 2023



## Introduction

The Victorian Government is prioritising up to \$200 million of Growth Areas Public Transport funding for eligible priority transport projects.

The government will also seek eligible projects from state and local government to enable a further \$200 million to be allocated to state-funded infrastructure projects from the Building New Communities Fund.

## Context

The Growth Areas Infrastructure Contribution (GAIC) was introduced in 2010 to growth area land inside the Urban Growth Boundary (UGB) that has been zoned for urban development in the municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham. GAIC is payable by developers on growth area land that has been rezoned since 2005 at time of:

- subdivision
- building permit
- dutiable transaction
- significant acquisition.

Revenue is equally distributed into two special-purpose funds being the Growth Area Public Transport Fund and the Building New Communities Fund.

## Funding limits

Funding is limited to the amount of money available in the two funds on 1 July 2023 as well as funds expected to be collected in the first half of the 2023/24 financial year. There is no mandated minimum or maximum amount per project.

## Legislative framework

The *Planning and Environment Act 1987* sets out requirements on GAIC funding in sections 201VA and 201VB.

## Application of Growth Areas Public Transport Fund

### Section 201VA

There must be paid out of the Growth Areas Public Transport Fund amounts authorised by the Minister with the approval of the Treasurer—

- (a) to be used to provide financial assistance for or with respect to the following matters—
  - (i) capital works for state funded public transport infrastructure in any growth area;
  - (ii) the acquisition of land and other infrastructure necessary or required for the establishment, operation or maintenance of infrastructure referred to in subparagraph (i); and
- (b) for the payment of any recurrent costs relating to the provision of a new public transport service in a growth area for a maximum of 5 years after the commencement of that service; and
- (c) for the payment of the costs and expenses incurred by the Commissioner as a result of exercising or performing his or her functions, powers and duties relating to growth areas infrastructure contributions.

## Application of the Building New Communities Fund

### Section 201VB

1. There must be paid out of the Building New Communities Fund amounts authorised by the Minister to be used to provide financial assistance for or with respect to capital works for state funded infrastructure in any growth area including the following—
  - i) transport infrastructure including walking and cycling but excluding major public transport infrastructure;
  - ii) community infrastructure including health facilities, education facilities, regional libraries, neighbourhood houses and major recreation facilities;
  - iii) environmental infrastructure including regional open space, trails and creek protection;
  - iv) economic infrastructure including providing access to information and technology and infrastructure supporting the development of commerce and industry;
  - v) the acquisition of land and other infrastructure necessary or required for the establishment or maintenance of any infrastructure referred to in this subsection.
2. The Minister must not authorise the payment of an amount of \$2 million or more from the Building New Communities Fund for the purpose of particular capital works, except with the approval of the Treasurer.

## Eligibility

To be eligible for funding, the projects must meet the following criteria:

- Satisfy the requirements set out in section 201VA or 201VB of the *Planning and Environment Act 1987*, including being located within Melbourne's UGB and within the municipalities of Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea or Wyndham.
- Address the infrastructure demands generated, or expected to be generated, from new communities on land within the Urban Growth Zone.
- Be a project generally in accordance with an approved precinct structure plan, a growth area corridor plan, the state infrastructure delivery pipeline or with an infrastructure planning document or proposal prepared by a state department or agency.
- For a road project, be a declared arterial road under the management of Department of Transport and Planning (DTP).

Projects should:

- address a clear and quantified community need
- be at a stage of readiness to facilitate rapid delivery
- demonstrate alignment with government policy.

## Project selection – Growth Areas Public Transport Fund

- DTP will use its network pipeline process for selecting the most appropriate shortlist of transport projects.
- The project must meet the legislation and criteria for eligibility and be endorsed by the Head, Transport for Victoria.
- The endorsed list will be provided to the Minister for Public Transport and the Minister for Transport and Infrastructure who will recommend projects to the Minister for Planning and the Treasurer for joint approval.

## Project selection – Building New Communities Fund

- The Minister for Planning will write to the relevant state agencies and growth area councils outlining the criteria and application process and inviting them to nominate state-funded infrastructure projects that can be considered for part or full funding.
- State agencies and councils must submit project nominations by the closing date of applications.
- Nominations must meet the legislation and criteria for eligibility and be endorsed by either the state agency head or council CEO.

- DTP and the Victorian Planning Authority will review the nominated projects against the legislation and criteria to identify the projects that provide the greatest benefit to the growth area.
- DTP (Planning and Land Services), the Department of Treasury and Finance and the Victorian Planning Authority will provide a shortlist of projects to the Minister for Planning.
- The Minister for Planning will approve any projects under \$2 million.
- The Minister for Planning and the Treasurer will jointly approve projects greater than \$2 million.

## What will not be funded

- Funding will not be provided retrospectively.
- GAIC can co-fund a project that is contingent on the State Budget — however, the allocation of GAIC funding will rely on the State Budget outcome.
- An application will not be eligible if the proposed project is contingent on funds being approved from other sources, such as the Commonwealth or local government.

## Permits and approvals

- Applicants must disclose any land use planning implications that may impact the timely delivery of the project, such as: requirements for planning or building permits, heritage permits, water authority permit, biodiversity assessment, environmental management plan or cultural heritage management plans.

## GAIC funding conditions

- Successful applicants will be required to enter into a Memorandum of Understanding with DTP. The Memorandum of Understanding will set out the obligations of both parties and aim to provide transparency and support the efficient and effective use of public money.
- Any overspend on projects will be the responsibility of the applicant and no further funding from GAIC will be provided.
- In the event of an underspend, any surplus GAIC funds held by the awarded department or agency shall be returned to the GAIC trust. Funding may not be reprioritised or reallocated to alternative projects.
- Funding recipients are required to comply with project monitoring, including providing information to support GAIC's legislative reporting requirements.
- If a project fails to be delivered in accordance with the approved project plan, funds will need to be repaid.



## Key program dates

<b>Online application portal open</b>	Friday 22 September 2023
<b>Stakeholder engagement</b>	Information sessions to assist nomination development will occur on Friday 22 September.
<b>Applications close</b>	12 pm Friday 27 October 2023
<b>Announcements</b>	From December 2023

## Application process

New applications for GAIC funding will be received through the [online application portal](#).

The portal will be open from Friday 22 September and close on Friday 27 October 2023.

**Late applications may not be processed.**