The Revitalising Central Dandenong initiative will encourage regeneration of Dandenong’s city centre and re-establish Dandenong as the capital of Melbourne’s growing south-east region. Dandenong has a rich and prosperous history but, like many cities across the world, it has had to compete with increasing, newer surrounding development over recent years. As such, the infrastructure program includes the improvement of existing public spaces and facilities, and will be partly funded by an Infrastructure Recovery Charge (IRC) applied to new developments of a commercial scale within the declared project area.

The IRC commenced on the first of September 2006 and is levied only at the time of development, when developers are realising the benefit of the Victorian Government’s significant investment in the area. Investment on such a large scale would not be possible without the ability to recoup a portion of the government’s investment through a recovery charge.

**Infrastructure Recovery Charge**

In 2006, the Victorian Government commenced the investment of $290 million in Revitalising Central Dandenong, with this initiative continuing over the following 15-20 years. This capital is expected to generate more than $1.2 billion of investment from the private sector, resulting in the creation of jobs and making Dandenong a better place to live, work and visit.

**Levied only at the time of development**

The charge has been designed to ensure that developers will help contribute to the infrastructure which will enhance their investment. It does not apply to ordinary home owners or to businesses conducting minor renovations.

Building works for which a charge is levied at the time of applying for a building permit, if over the threshold amount include:

- the construction of three or more dwellings on a lot
- subdivision of land into greater than two lots
- any other work (which may include residential)
- any work where the total cost of works performed over any consecutive 3-year period (not including any development before the charge was gazetted) exceeds the threshold amount. This also applies to staged-developments

Small businesses will be able to undertake re-fit and upgrade works to their business to the value of $339,840 over a three-year period without having to pay the IRC.

However, Development Victoria still needs to be notified of all works requiring a building permit within the declared project area, regardless of cost of works.
How to calculate the charge

The charge is based on 5 percent of ‘development value’.

For developments other than subdivisions, development value is the sum of the Site value at the time of development and the cost of building work for the development. For subdivisions, the site value is the estimated value of the land after subdivision.

The IRC applies from the date that the charge was gazetted, that being 1 September 2006. Developments for which a planning or building permit was issued prior to the gazettal date will be exempt from the charge. Developments for which a planning or building permit application has been lodged, but not issued, post-gazettal, will not be exempt from the charge.

The IRC will need to be paid before the issue of a building permit or, in the case of subdivision, before a statement of compliance can be issued.

Refer to the flow chart for clarification of process (for buildings and works).