

APRIL 2021

## INFORMATION UPDATE: Revitalising Central Dandenong's Infrastructure Recovery Charge



The Victorian Government is stimulating economic growth in central Dandenong with the removal of an Infrastructure Recovery Charge (IRC) on all privately-owned land in the Revitalising Central Dandenong (RCD) project area.

Building on its \$290 million investment in the area, the removal of the IRC will help attract more private sector investment and stimulate economic activity in Dandenong.

Development Victoria is working in partnership with the City of Greater Dandenong, state government agencies and the private sector to deliver the RCD project, encouraging new development, stimulating the local economy and creating jobs.

Since 2006, the IRC has applied to a declared project area in central Dandenong and has contributed to delivering vital infrastructure for the local community.

### What infrastructure has been delivered in Dandenong?

The Victorian Government's \$290 million investment in the RCD project has delivered:

- the Lonsdale Street upgrade into a pedestrian friendly boulevard
- Stockman's Bridge
- public realm upgrades in Halpin Way (pedestrian walkway) and Settlers Square
- seven hectares of land acquisition and consolidation
- the station precinct amenity upgrade
- a multi-sport community park
- community garden
- other infrastructure upgrades/improvements.

### Changes to the IRC

Following a review of the IRC and consultation with industry and other stakeholders, we are removing the charge on developments occurring on privately-owned land to attract increased private sector investment and stimulate jobs and economic growth.

This will provide a significant boost for Dandenong - the capital of Melbourne's growing south-east corridor.

From 25 February 2021, the IRC no longer applies to developments on privately-owned land within the RCD Declared Project Area.

Removing the IRC will provide further incentives to the private sector to invest in Dandenong and deliver community-building residential and commercial developments.

The IRC will continue to apply to developments on land owned or controlled by Development Victoria, the Victorian Government's property developer.

## Private investment in Dandenong - what's been achieved:

The Revitalising Central Dandenong project, led by Development Victoria on behalf of the Victorian Government, has already attracted almost \$700 million in private investment and created local jobs in central Dandenong at the Australian Taxation Office, State Government Services Hub, Quest Apartments and a new Council Civic Centre.

The next phase of the RCD project - announced in December 2020 - will deliver a \$600 million mixed-use development that benefits the whole community. It will include at least 500 new dwellings, community spaces, offices, a hotel and conference centre, an urban brewery and entertainment district, education facility, retail, medical, a cinema and a contemporary Indian retail and dining precinct. It will create more than 2600 jobs during construction and close to 5000 ongoing roles when the development is complete.

## Frequently Asked Questions

### Q. Why is the Infrastructure Recovery Charge being removed on privately-owned land?

Following consultation with key stakeholders, we're removing the charge on developments on privately-owned land to encourage increased private sector investment that will create jobs and stimulate economic growth. The Victorian Government is committed to supporting both industry and the Dandenong community and Development Victoria will continue to work closely with stakeholders to deliver a vibrant commercial, retail and residential hub for the whole community.

### Q. Are there some areas where the Infrastructure Recovery Charge will still apply?

Yes, it's just a partial removal of the charge in the Central Dandenong area. The charge will still apply to land owned and controlled by Development Victoria, the state's property developer. The charge is factored into the overall valuation of the land by the Valuer-General Victoria.

### Q. Why does it still apply on Development Victoria land?

A. This is a partial removal only and responds to feedback from key local stakeholders. The charge will continue to apply to Development Victoria land until the charge ceases altogether in 2026.

### Q. When will the change take effect?

From 25 February 2021, the charge will no longer apply to any future developments on privately-owned land that have not commenced construction or received a building permit.

### Q. Will developers who have already paid the IRC be reimbursed?

No, the IRC is paid with a building permit application, so it cannot be reimbursed. The change applies only to future developments on privately-owned land (not controlled by Development Victoria through a Development Agreement) that have not commenced construction or received a building permit.

### Q. Which sites are owned by Development Victoria?

Development Victoria owns six uncontracted sites within the RCD Declared Project Area and will commence sale of this land from 2023. The IRC will be factored into the valuation of the land by the Valuer-General Victoria at time of sale. In 2026, the IRC will cease altogether.

### Q. How is the IRC on Development Victoria-owned land calculated?

The charge is based on five per cent of 'development value' of the land. 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.

### Q. When will the IRC cease altogether?

The IRC came into effect on 1 September 2006 and will operate until 31 December 2026.

## For more information and to register for updates

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