

2 GROWING SUBURBS FUND 2017-2019

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RESPONSIBLE GENERAL MANAGER Garry McQuillan

AUTHOR Garry McQuillan

RECOMMENDATION

That Council endorse the following project applications and the priority order to be lodged, under the Growing Suburbs Fund, by 10 August 2017

- Cardinia Cultural Centre - Arts Exhibition Development
- James Bathe Community Facility Development
- Hills Community Hub Development

Attachments

1 2017-19 Growing Suburbs Fund Application Guidelines 14 Pages

EXECUTIVE SUMMARY

The 2017-19 Growing Suburbs Fund is a contribution towards meeting critical local infrastructure needs for communities in Melbourne's diverse and fast-growing outer suburbs. It is positioned to quickly respond to the pressures being experienced by interface communities by bringing forward local infrastructure projects that will make a big difference in the day-to-day lives of outer suburban families.

There is \$50M in the 2017-2019 Fund. Councils are expected to contribute some funding to the delivery of projects and a program under funding leverage of \$1 for \$1 has been set. No more than 20% of the funding pool will be allowed to one Council. A council resolution providing support for the application and priority order is essential.

BACKGROUND

Overview

The Victorian Government recognises that Melbourne's interface councils are diverse and are home to some of the city's most vulnerable communities. They play a critical role in supporting Victoria's population growth and economy, contain productive rural land and are responsible for 90 per cent of Melbourne's Green Wedge areas.

As a group, the interface councils on Melbourne's urban fringe have been experiencing significant population growth over the last two decades, with growth consistently doubling the state's average. This is expected to continue with more than 1 million additional residents expected to be living in the interface by 2031.

The Victorian Government is investigating an additional \$50 million through the 2017-19 Growing Suburbs Fund (GSF) to continue timely delivery of critical infrastructure in Melbourne's interface.

The GSF will be delivered in coordination with other government infrastructure investments in interface communities. It is overseen by the Minister for Local Government and administered by the Department of Environment, Land, Water and Planning (DELWP).

Objectives

The 2017-19 GSF intends to contribute to a prosperous and liveable Melbourne by improving the quality of life for those living in the outer suburbs. It will fund infrastructure that improves the community and economic development, liveability and resilience of these communities.

Grants will be targeted at high priority community infrastructure projects that contribute to:

- Stronger, more resilient and liveable interface communities
- Improved local economy in Melbourne's interface communities
- Improved ability to respond to community needs and demands.

What will be funded

The 2017-19 GSF will fund new, expanded or upgraded infrastructure projects within Melbourne's ten interface councils.

The 2017-19 GSF will fund a mix of projects that have a direct benefit to communities across these broad infrastructure categories:

- Community health, well-being and social interaction
- Early education and learning and training
- Sport, recreation and leisure
- Environmental and climate change resilience
- Placemaking, civic amenity and community connecting.

All infrastructure projects must commence construction within 10 months of the grant being announced and must be completed within three years from the start of construction.

The commencement of construction does not include early site works such as drainage, service connection or earthworks.

The 2017-19 GSF will not fund:

- Projects that have already commenced construction
- Land acquisition as an isolated activity (eg purchasing land for future use) as the fund is designed to support delivery of urgently needed local infrastructure, unless land acquisition forms part of the delivery of an implementation-ready infrastructure project.
- Infrastructure that is fully scoped and funded through a development contribution plan, unless it can be clearly demonstrated that GSF funds will bring forward delivery, or that the actual costs of delivering the infrastructure materially exceed the total of development contributions.
- Routine or ongoing maintenance activities, cosmetic works or repair of facilities damaged by vandalism, fire or other natural disasters where the damage should be covered by insurance.
- Recurrent operating costs, including for utilities and staffing resources
- Drainage, waste, roads and associated footpaths and public transport infrastructure
- Construction of infrastructure that does not have a direct community benefit or address an identified community need
- Service connections, however, we note these elements will for part of construction; council's contributions should be used for these activities.

CONCLUSION

That Council endorse the following project applications and the priority order to be lodged, under the Growing Suburbs Fund, by 10 August 2017

- Cardinia Cultural Centre - Arts Exhibition Development
- James Bathe Community Facility Development
- Hills Community Hub Development



Growing Suburbs Fund

www.localgovernment.vic.gov.au/gsf

2017-19 Growing Suburbs Fund

Application Guidelines



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2017-19 Growing Suburbs Fund Application Guidelines

The 2017-19 Growing Suburbs Fund is a contribution towards meeting critical local infrastructure needs for communities in Melbourne's diverse and fast-growing outer suburbs. It is positioned to quickly respond to the pressures being experienced by interface communities by bringing forward local infrastructure projects that will make a big difference in the day-to-day lives of outer suburban families.

Note to users: These guidelines relate to the 2017-19 Growing Suburbs Fund (GSF).

Message from the Minister



The Andrews Labor Government recognises the challenges faced by Melbourne's ten interface council areas as a result of unprecedented growth and change. Through the Growing Suburbs Fund we have already invested \$100 million in 76 local projects. These projects are already making a difference in the day-to-day lives of local families.

Melbourne's ten interface councils are expected to accommodate 46 per cent of the state's population growth from now until 2031. These communities are diverse – home to some of the city's most vulnerable communities, and are also responsible for the management of 90 per cent of Melbourne's green wedge areas.

More needs to be done which is why we have added an extra \$50 million to the Growing Suburbs Fund this year.

I am delighted that the 2017-19 Growing Suburbs Fund will support interface councils to better meet the needs of their diverse communities. It will fund community facility projects that improve the liveability of interface communities, enhance services and provide local jobs.

These guidelines provide information to applicants about the objectives, criteria and process for the 2017-19 Growing Suburbs Fund. I am pleased that they have been developed in collaboration and consultation with interface councils, reflecting the strong partnership between state and local government to ensure the best possible outcomes for communities living in Melbourne's outer suburbs.

In addition to formal applications I am also interested to understand, in a general sense, what projects Councils see as necessary in coming years.

I am also pleased that there is a commitment from Councils to add to the State's investment to ensure that the total value of projects delivered will be more than double the funding. Local communities will be the beneficiaries of this commitment by Councils.

I welcome your interest and participation in the 2017-19 Growing Suburbs Fund. Together we are delivering liveable, inclusive and sustainable communities.

The Hon Natalie Hutchins MP
Minister for Local Government



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1. Overview

The Victorian Government recognises that Melbourne's interface councils are diverse and are home to some of the city's most vulnerable communities. They play a critical role in supporting Victoria's population growth and economy, contain productive rural land and are responsible for 90 per cent of Melbourne's Green Wedge areas.

As a group, the interface councils on Melbourne's urban fringe have been experiencing significant population growth over the last two decades, with growth consistently doubling the state's average. This is expected to continue with more than 1 million additional residents expected to be living in the interface by 2031.

The Victorian Government is investing an additional \$50 million through the 2017-19 Growing Suburbs Fund (GSF) to continue timely delivery of critical infrastructure in Melbourne's interface.

The GSF will be delivered in coordination with other government infrastructure investments in interface communities. It is overseen by the Minister for Local Government and administered by the Department of Environment, Land, Water and Planning (DELWP).

2. Objectives

The 2017-19 GSF intends to contribute to a prosperous and liveable Melbourne by improving the quality of life for those living in the outer suburbs. It will fund infrastructure that improves the community and economic development, liveability and resilience of these communities.

Grants will be targeted at high priority community infrastructure projects that contribute to:

- stronger, more resilient and liveable interface communities
- improved local economy in Melbourne's interface communities
- improved ability to respond to community needs and demands.

3. Who can apply

The 2017-19 GSF is open to Melbourne's ten interface councils.

The ten interface councils are: Cardinia, Casey, Hume, Melton, Mitchell¹, Mornington Peninsula, Nillumbik, Whittlesea, Wyndham, and Yarra Ranges.

While only interface councils can apply for funding and enter into a funding agreement with the department, not-for-profit or private sector organisations are encouraged to partner with these councils to put forward proposals for the 2017-19 GSF.

Applicants should review these guidelines to confirm their eligibility.

¹ Mitchell Shire Council is identified as a Regional Municipality in the Regional Growth Fund Act 2011 (Vic), however it is also considered an interface council for the GSF.

4. What will be funded

The 2017-19 GSF will fund new, expanded or upgraded infrastructure² projects within Melbourne's ten interface councils.

4.1 Scope

The 2017-19 GSF will fund a mix of projects that have a direct benefit to communities across these broad infrastructure categories:

- community health, well-being, and social interaction
- early education, and learning and training
- sport, recreation, and leisure
- environmental and climate change resilience
- placemaking, civic amenity, and community connecting.

All infrastructure projects must commence construction within 10 months of the grant being announced and must be completed within three years from the start of construction.

The commencement of construction does not include early site works such as drainage, service connection or earthworks.

The 2017-19 GSF will not fund:

- projects that have already commenced construction
- land acquisition as an isolated activity (e.g. purchasing land for future use) as the fund is designed to support delivery of urgently needed local infrastructure, unless land acquisition forms part of the delivery of an implementation-ready³ infrastructure project
- infrastructure that is fully scoped and funded through a development contributions plan, unless it can be clearly demonstrated that GSF funds will bring forward delivery, or that the actual costs of delivering the infrastructure materially exceed the total of development contributions
- routine or ongoing maintenance activities, cosmetic works, or repair of facilities damaged by vandalism, fire or other natural disasters where the damage should be covered by insurance
- recurrent operating costs, including for utilities and staffing resources
- drainage, waste, roads and associated footpaths, and public transport infrastructure
- construction of infrastructure that does not have a direct community benefit or address an identified community need
- service connections, however, we note these elements will form part of construction; council's contributions should be used for these activities.

4.2 Specific criteria for 2017-19 GSF

- No more than 3 projects with a maximum construction value of less than \$750,000 can be submitted
- A council resolution providing support for the application and a priority order is essential
- Bundling of small projects into a larger project for submission must:
 - clearly demonstrate the need and benefit of each individual element
 - must be costed individually; and
 - timeframes identified for each element.

² Expansion or upgrades to leased premises may be considered based on cost-benefit over the length of the lease.

³ Implementation-ready infrastructure is defined as infrastructure for which, if funding were committed, construction works would commence within 10 months of funding announcement.

- Funding ratios will be calculated based on the costing provided. The funding agreement will consider this ratio and projects that are delivered under the budget outlined in the application will be required to return the appropriate portion of the underspend to the Fund. For example, a project that is projected to cost \$1,000,000 with a 50/50 funding contribution that is delivered for \$900,000 will be required to return \$50,000 to the fund upon completion of the project.

4.3 Funding from other programs

The GSF should accelerate the delivery of critical community infrastructure and complement, rather than replace, other funding sources available to these communities. As such, some projects might be suitable for funding by multiple programs, including Children's Facilities Capital Program and the Community Sports Infrastructure Fund.

Applications received for the 2017-19 GSF that are eligible for and primarily within the scope of other funding programs should clearly identify the additional value to be achieved through GSF funding. They should also identify any alternate sources of funding sought, including State and Commonwealth government programs, as well as eligibility for contributions from developers.

4.4 Assessment criteria

Percentage weightings are provided as a guide to the relative importance of different criterion in the assessment process. Applications should address all relevant criteria and provide relevant supporting documents as set out in section 4.5.

Information contained in the applications may be shared with other State Government agencies in order to assist with cross government coordination and enable the department to seek clarification on an application or applicants.

Individual project assessment

Applications for infrastructure will be assessed against five individual project assessment criteria:

Criterion 1 – Why is this project required? – 25%

Applications will be required to demonstrate the extent to which the project addresses an identified need in the community by:

- clearly identifying the need or gap in infrastructure provision that the project will address
- demonstrating (by quantifying) the breadth and depth of the need or gap in infrastructure provision
- demonstrating how the project aligns and delivers against current state policy objectives.

Applications that directly address needs resulting from population growth will be favourably considered.

Criterion 2 – Who will benefit and how? – 25%

Applications must clearly demonstrate the extent to which the project will deliver benefits to the locality and must:

- clearly identify the expected benefits (social, economic, and/or environmental) that the project will deliver
- demonstrate the breadth and depth of the expected benefits including who will benefit and how
- demonstrate how the project will deliver on the purpose of the GSF and the desired outcomes.

Criterion 3 – What will be delivered – 20%

Applications must provide details of what the funding will be used for and:

- demonstrate the relationship between what the project will deliver, the need for the project, and the expected benefits
- demonstrate consistency with climate change, environmental sustainable design, and universal design principles
- explain how the project benefits will be sustained once the infrastructure is delivered.

Criterion 4 – How will the project be delivered – 20%

Applications must provide details that:

- demonstrate a sound approach to deliver the project, providing realistic time-frames for delivery, and demonstrate that the project is financially viable and represents value for money
- demonstrate capacity to implement and/or source expertise to manage the delivery of the project
- outline the proposed funding contributions for the project.

Projects that have significant council contributions and attract further public, not-for-profit or private sector investment are desirable and strongly encouraged. Applicants must contribute resources and funding to any GSF funded project.

Council's previous performance in delivering state funded projects will be considered in the assessment of this criterion.

Where there are concurrent funding applications, applications must identify how council will fund the difference if other applications are unsuccessful.



Criterion 5 – The extent of council and community support for the project – 10%

Applications must:

- demonstrate that the project is a recognised strategic council priority and is consistent with key council plans such as the current Council Plan and Strategic Resource Plan, community plans or structure plans and/or policy documents
- demonstrate the level of support at the community level. This could be demonstrated by engagement activities, co-contributions or in-kind support from community members or groups.

Program wide criteria

A program assessment panel will consider four program-wide factors. These factors are:

- leveraged funding - Councils are expected to contribute some funding to the delivery of projects and a program wide funding leverage of \$1 for \$1 has been set.
- geographic distribution - no more than 20 per cent of the total 2017-19 GSF funding pool will be allocated to a single council
- diversity of infrastructure/project types - the assessment will seek to ensure that funded projects represent a mix of targeted infrastructure
- consistency with State priorities – the panel will consider how each project aligns local and State priorities.

4.5 Supporting documentation

The following supporting documentation can be attached as part of your application:

- key project governance, management and milestone management documentation such as a project plan
- a business case or cost benefit analysis that may have been completed for the project
- relevant sections of council reports/plans/strategies/community consultation to support the project (please do not attach entire documents)
- concept or schematic plans for the project.



5. How to apply

5.1 Application process and key timing

Applications for eligible projects will be received through a single application round, opening in June and closing in August. The assessment process is designed to ensure that fully scoped, eligible and high priority projects can be funded as soon as possible for works to commence.

A brief overview of the steps in the process for the 2017-19 GSF is summarised below:

Applications Open	23 June 2017
Applications Close	10 August 2017
Assessment and Decision Making	11 August to mid-October 2017
Announcements	From November 2017
Funding Agreements Executed	From November 2017
Construction Commencement	No later than September 2018
Construction Complete	Within 3 years of commencement

5.2 Application requirements

Applicants should:

- address the 2017-19 GSF project assessment criteria in their response to each question
- include all key information, data and evidence to support the responses
- provide a primary contact for any follow-up.

DELWP staff may make contact with applicants to seek further clarification of information submitted.

Some applicants may be requested to submit further information following initial assessment of applications by the department.

Applications must be submitted via the link at www.localgovernment.vic.gov.au/gsf.

These should be received by the department no later than **2pm, Thursday 10 August 2017**.

If you have any queries, please contact DELWP on (03) 9948 8563 or email GSF@delwp.vic.gov.au.

5.3 Funding conditions

Funding agreement

Successful applicants must enter into a funding agreement with DELWP. Funding agreements establish the parties and outline their commitments and obligations to each other, as well as setting out the general funding terms and conditions. It is recommended that applicants review the Common Funding Agreement standard terms and conditions before applying. No funding will be released until DELWP and the applicant have executed the funding agreement and the appropriate milestone evidence identified in the funding agreement has been met. DELWP reserves the right to withhold payments in cases where evidence has been provided but the Department deems that there are concerns relating to the delivery of the project. In this instance, the Department will release funding when appropriate actions have been taken to ensure the funding project is delivered within the agreed timeframes.

Project monitoring and delivery

Funding recipients are required to comply with project monitoring and reporting requirements to be outlined in the funding agreement.

Councils are responsible for project delivery, including any project cost overruns should they occur. In cases where applications are submitted in partnership with third party organisations, it is expected that councils will take responsibility for project delivery. Councils must also take full responsibility for the cost of ongoing operation and maintenance of any facilities through their asset management processes.

In cases where a project is delayed for an unreasonable length of time, where substantive changes to scope are made after funding has been approved, or where a project fails to be delivered, DELWP reserves the right to cancel the grant and, if applicable, recoup any payment that has already been provided.

Acknowledgement

Successful applicants are expected to acknowledge the Victorian Government's support and promotional guidelines will form part of the funding agreement. Successful applicants must liaise with the departmental program area to coordinate any public events or announcements related to the project.

Successful applicants may be required to contribute information on activity outcomes for use in program evaluation or in the department's communication materials.





Growing Suburbs Fund

www.localgovernment.vic.gov.au/gsf