



Department of Planning,
Lands and Heritage

Infrastructure Development Fund

Stream 2: Unlocking Infill Precincts

Guidelines for Applicants

Updated March 2024



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Acknowledgement of country

The Department of Planning, Lands and Heritage acknowledge the traditional owners and custodians of land and waterways across Western Australia. The Department is committed to reconciliation to improve outcomes for Aboriginal and Torres Strait Islander peoples and to work together to provide a culturally-safe and inclusive environment.

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1. How to use the guidelines

This guideline will tell you:

- the funding available
- who is eligible to apply
- what types of projects are eligible
- eligible locations
- how applications are assessed
- what to expect if you are successful

Before making an application to the Infrastructure Development Fund you should read the guidelines in full and ensure you and your project meet the eligibility requirements. This document should be read in conjunction with the program application forms, which are available on the Department of Planning, Lands and Heritage's (Department) website www.wa.gov.au/dplh.

If you have any questions about the content of these guidelines and would like to discuss your project, please contact InfrastructureFund@dplh.wa.gov.au or call 6551 8002.

2. About the Infrastructure Development Fund

The State Government has established an \$80 million fund to unlock a new pipeline of apartment development in key urban precincts and workers accommodation in regional areas.

Restrictions on the capacity of existing water, wastewater and electricity infrastructure, and the costs and complexity for landowners to connect, can limit urban infill development and the provision of new housing in regional areas. This can result in well-located development sites remaining vacant and housing opportunities going unrealised.

The purpose of the Infrastructure Development Fund is to assist with the cost of resolving infrastructure constraints that impact the supply of medium to high density housing projects in priority infill locations within metropolitan Perth; accommodation for key workers and community housing in the regions.

In the metropolitan area, new medium to high density housing developments will promote urban consolidation, housing diversity and activation around priority infill locations, such as METRONET station precincts.

In the regions, high levels of employment and low availability of housing can impede ongoing economic development.

The \$80 million Infrastructure Development Fund has been allocated equally between metropolitan and regional projects (\$40 million each) and consists of three funding streams:

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1. Targeted Apartment Rebate

For new apartment developments, a targeted rebate of up to \$10,000 per multiple dwelling will be available to assist with water, wastewater and electricity infrastructure connection and contribution costs incurred with the Water Corporation or Western Power. Funds will be paid directly to the infrastructure provider.

The rebate will be available to apartment (multiple dwelling) projects within the Perth metro-central sub-region¹, strategic, secondary and district activity centres; Bunbury CBD; train station precincts and Housing Diversity Pipeline² sites.

Developments receiving funding under the program will be required to commence within two years of approval and complete construction within four years. An additional 12-month discretionary extension is available to account for unforeseen construction delays.

2. Unlocking infill precincts

The second stream of the Infrastructure Development Fund has been designed as an infrastructure investment program to address constraints in the water, wastewater, and electricity network at a precinct scale, to facilitate medium to high density residential infill development within the Perth metro-central sub-region, strategic, secondary

and district activity centres; Bunbury CBD; train station precincts and Housing Diversity Pipeline sites.

This allows for larger, more complex infrastructure bottlenecks to be identified and addressed, to provide the additional service capacity needed to unlock development opportunities. Without Government intervention or assistance, in some cases these development opportunities are unlikely to be realised or feasible for a single developer to coordinate and/or fund.

Applications for this funding stream will be based on evaluation of a business case, including consideration of co-contribution opportunities with industry.

3. Unlocking regional accommodation opportunities

The third funding stream has been designed as an infrastructure investment program to address infrastructure constraints in the water, wastewater, electricity network and civil works at a precinct or strategic site scale impacting the delivery of regional worker accommodation or community housing developments.

Applications under this funding stream will be based on evaluation of a business case, including consideration of co-contribution opportunities.

Mining/resource workers accommodation and proposals outside of existing centres, townsites or communities are ineligible for funding.

The Infrastructure Development Fund will be open for applications for a period of 18 months.

This document relates to **Stream 2 - Unlocking Infill Precincts**.

¹ The central sub-region of the Perth metropolitan area, being within the local government areas of the City of Stirling, City of Bayswater, Town of Bassendean, Town of Cambridge, City of Vincent, City of Perth, City of Subiaco, City of Nedlands, Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, City of Belmont, Town of Victoria Park, City of South Perth, City of Canning, City of Melville, City of Fremantle, and Town of East Fremantle.

² [Housing Diversity Pipeline \(www.wa.gov.au\)](http://www.wa.gov.au)

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3. Objectives

The Unlocking Infill Precincts funding stream seeks to:

- support the delivery of medium to high density residential infill development within priority infill locations, offering a range of living, employment, entertainment and recreational opportunities and assisting the delivery of additional housing supply; and
- provide an opportunity for landowners within a precinct to collaborate with Government on precinct scale water, wastewater and electricity infrastructure constraints.

4. Eligibility

4.1 Applicant eligibility

The stream is open to developers/landowners and local government to make applications. Applications from a group of developers/landowners within a precinct are encouraged.

State Government agencies or infrastructure providers may also identify projects for consideration, which meet Government priorities, objectives and complement existing projects or initiatives.

4.2 Eligible locations

Applications can be received for projects which will achieve medium to high density residential infill development located within:

1. The central sub-region of the Perth metropolitan area³.
2. **Within 1,000m of a Transperth Train Station including METRONET Station Precincts.**
3. **Within 1,000m of a Strategic, Secondary or District activity centre as defined by the *State Planning Policy 4.2 - Activity Centres*.**

Where the activity centre has been defined by a structure plan (or equivalent) or is zoned by the Metropolitan Region Scheme as 'Central City area', the eligible area includes the activity centre and 1,000m from the external perimeter.

³ The central sub-region of the Perth metropolitan area, being within the local government areas of the City of Stirling, City of Bayswater, Town of Bassendean, Town of Cambridge, City of Vincent, City of Perth, City of Subiaco, City of Nedlands, Town of Claremont, Town of Cottesloe, Town of Mosman Park, Shire of Peppermint Grove, City of Belmont, Town of Victoria Park, City of South Perth, City of Canning, City of Melville, City of Fremantle, and Town of East Fremantle.

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Where the boundary of an activity centre has not been designated through the above process, the 1,000m eligible area is measured from the activity centre point as designated in the *Perth and Peel@3.5 million sub-regional planning frameworks*.

4. Within the Bunbury central business district (as defined by the Greater Bunbury Region Scheme 'Regional centre') and 1,000m surrounding.

These locations support the WA Government's strategic priorities, including urban consolidation with well-located infill residential development and leveraging investment in Details of the eligible locations can be found here: www.wa.gov.au/system/files/2023-05/idf_metro-locations.pdf METRONET infrastructure.

4.3 Project eligibility

For a project to be eligible for consideration, it should:

1. Relate to works and/or upgrades to water, wastewater and electricity supply infrastructure that are required to facilitate medium to high density residential infill development within a precinct. Funds will be provided directly to the Water Corporation or Western Power to deliver the required infrastructure.
2. Demonstrate a high level of consistency with implementing the WA Government's strategic priorities, projects, and objectives such as:
 - urban consolidation (achieving urban infill as set out in *Perth and Peel@3.5million* infrastructure and land use planning frameworks); which provides opportunities for more efficient use of urban land and infrastructure with improved access to public transport, sport and recreation, community and commercial facilities;

- strategic planning objectives (such as access to high frequency public transport, vicinity to activity centres); which provide opportunities for people to live in well-connected communities;
- complementing METRONET projects and precincts, providing for additional housing opportunities within the vicinity of METRONET stations and leveraging Government's investment into METRONET; and
- providing for medium to high density residential infill development within established urban areas; which provides opportunities for more affordable living within vibrant, connected and revitalised neighbourhoods.

3. The proposed infrastructure works should provide capacity for the expected development of the precinct as provided for within the relevant planning frameworks and related time horizons, to be justified within the application and subject to advice of the relevant local government and infrastructure provider⁴, and should be:

- consistent with the planning framework for the location (i.e. local planning schemes, structure plans and/or redevelopment schemes as relevant); or
- consistent with a seriously entertained planning proposal (i.e. scheme amendment, structure plan) which cannot be progressed due to the existence of the infrastructure constraint.

⁴ A staged approach may be considered where it can be demonstrated that staging of infrastructure works/upgrades will not prejudice the delivery of the planned ultimate infill development in the precinct, result in duplication of works or increased costs and represents a logical staging of works.

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4. Applications must also demonstrate:

- delivery of the required infrastructure works and/or upgrade cannot be viably accommodated as part of the normal land development processes and the infrastructure constraint represents a barrier to the delivery of planned urban infill (particularly medium to high density residential infill development). For example, the extent of works required, and fragmented ownership of a precinct may result in the required infrastructure works being unfeasible for a single developer to coordinate or fund;
- a high degree of certainty of the costs (and breakdown) of the required infrastructure works;
- the project represents value for money and will deliver benefit to the community. Projects involving community, affordable or social housing outcomes are encouraged;
- the proposed infrastructure works/upgrades are capable of being undertaken within twelve months of funding agreement being reached. Consideration can be given to a longer time period, for reasons such as project complexity, resource/ material availability, the need to wait for completion of related infrastructure works or design; and
- a genuine intention by landowners/developers active in the precinct to develop their landholding(s) for medium to high density residential infill development once the identified infrastructure constraint has been addressed (where necessary) and relevant experience undertaking similar projects over the last five years, the capacity to deliver the proposed infrastructure works and/or the subsequent medium to high density residential infill development (as relevant to the applicant/proposal).

4.4

Co-contribution

While co-contributions are not required to be eligible for the program, applicants are encouraged to consider whether a co-contribution would be appropriate and assist their application, taking into consideration:

- the benefit the applicant(s) will derive from the project;
- sharing of risks appropriately between private parties and Government;
- demonstration that the project will represent value for money; and
- strengthening the deliverability of the project.

4.5

Ineligible projects, infrastructure works and costs

The following projects, infrastructure works, and costs are ineligible for funding under the stream:

- Costs associated with earthworks (unless associated with the funded infrastructure works), drainage, gas, telecommunications and road/transport infrastructure.
- Costs associated with technical studies undertaken to support applications. However, applications may include requests for funding towards detailed engineering design and as-constructed design, which will be considered where justified.

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- Costs associated with connecting individual future development on private landholdings into the infrastructure scheme (water, wastewater, and electricity). In this regard, consider whether your proposal is eligible for Stream 1 – Targeted Apartment Rebate.
- Costs associated with the construction of the medium to high density residential building(s).
- Costs generally associated with greenfield subdivision/development projects, such as provision of water supply, sewerage service or electricity distribution system as part of implementation of a subdivision approval.
- Recovery of costs that are already funded through alternative sources or retrospective recovery of costs already incurred for infrastructure works substantially commenced or completed.
- Projects seeking funding for ongoing operational or recurrent costs.
- Ongoing salaries/employment of new or existing staff.
- Purchase of land.
- Activities that would be undertaken in the normal course of business, such as routine replacement or upgrades of plant and equipment not required to facilitate infill development.

5. Application requirements

You can submit your application using the [online application form](#). SmartyGrants is the online grants management tool used by the Department of Planning, Lands and Heritage. Applications will not be accepted in any other format.

Applications will be open for 18 months from commencement. Late applications will not be accepted.

Assessment of applications will be considered in rounds, which will occur quarterly subject to funding availability and applications received.

The closing date for further rounds can be found at www.wa.gov.au/organisation/department-of-planning-lands-and-heritage/infrastructure-development-fund.

Applicants are required to submit sufficient information to demonstrate suitability and feasibility of a proposal against the objectives and eligibility criteria. Applications should be in the form of a business case.

Applications should also include:

- where appropriate, technical studies and/or evidence of discussions with relevant agencies and authorities, which may include but not be limited to planning and servicing bodies;
- supporting information from, or in collaboration with, the relevant servicing agency and other landowners (where possible). Collaboration with the relevant infrastructure provider is encouraged;

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- an understanding of the existing capacity of the infrastructure network, and the additional capacity the proposed works will provide and the relevant catchment of the supply. The development potential (number of dwellings and land use) which will be facilitated by the proposed infrastructure work should be identified;
- breakdown of costs of the infrastructure work/ upgrade;
- proposed timeframe/schedule of works;
- whether the proposed infrastructure works will require any planning/environmental approval or any other related licenses, permits or approvals to allow the proposal to proceed, and whether they have been obtained or estimated timeframes for obtaining;
- whether a co-contribution is proposed and the proportion;
- degree of experience of the applicant/s in developing medium to high density residential infill sites and the timeframe by which development of medium to high density residential infill within the precinct could be expected to commence after the infrastructure project is delivered; and
- details of any project specific timeframes in relation to their proposal.

Applicants must disclose whether any aspect of the proposal has received funding from other grant or funding sources and/or is provided for within a Development Contribution Plan.

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6. Assessing applications

All applications will undergo an evaluation, to confirm the application meets the eligibility criteria. Eligible applications will then proceed to an application assessment by an Assessment Panel.

The Assessment Panel will consider the proposal in the context of the objectives, program eligibility requirements and against the following weighted criteria:

Assessment criteria and weighting	Criteria description
1. Need and priority (30%)	<ul style="list-style-type: none"> • Demonstrated need and priority for the project including but not limited to: <ul style="list-style-type: none"> – Infrastructure constraint/s demonstrated to be a significant barrier to the delivery of planned urban infill, particularly medium to high density residential infill development. – Demonstration of priority for the infrastructure works, such as being unable to meet <i>Perth and Peel@3.5million</i> infill targets and develop as provided for within the local planning framework due to infrastructure constraints. Priority considerations could include areas with no remaining capacity to support planned infill development or areas with a demonstrated shortfall in housing supply vs demand. – Delivery of the required infrastructure works cannot viably be accommodated as part of the normal development processes (see Section 4.3).
2. Consistency with Government Strategic Priorities (20%)	<ul style="list-style-type: none"> • Located within the eligible locations and proximity to high frequency public transport and activity centres. • Demonstrated high level of consistency with implementing the WA Government's strategic priorities, projects and objectives including: <ul style="list-style-type: none"> – Urban consolidation (achieving strategic urban infill as set out in <i>Perth and Peel@3.5million</i>), providing for planned infill development within established urban areas consistent with the relevant state and local planning framework. – Provision of diversity of housing options. – Access to high frequency public transport, including METRONET and vicinity to activity centres. • Proposed infrastructure works provide capacity for the ultimate planned infill development of the precinct as provided for within the relevant planning framework, related time horizons and subject to the advice of the relevant local government and servicing authority. • Consistency with the state and local planning framework.

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Assessment criteria and weighting	Criteria description
3. Viability and capability (25%)	<ul style="list-style-type: none"> • Business case provides sound planning, technical feasibility and demonstrates capability for works to be delivered including: <ul style="list-style-type: none"> - A clear summary project plan for proposed infrastructure works, including outcomes and deliverables, timelines, approval requirements and other relevant considerations. - Demonstration the works are capable of being undertaken within 12 months of funding agreement being reached. - Relevant servicing authority advice including the capacity for the works to be undertaken and level of support for the proposal. - Project employs the most appropriate methods for delivery of required infrastructure. • Demonstration of a genuine intention to develop landholdings by applicant (where relevant) for medium to high density residential infill development once the identified infrastructure constraint has been resolved.
4. Value for money (25%)	<ul style="list-style-type: none"> • A reasonable and justified funding request that demonstrates value for money including: <ul style="list-style-type: none"> - A high degree of certainty regarding the costs of the required infrastructure works. - The latent capacity of the existing infrastructure and the additional development potential, the proposed works will provide. - Demonstration the proposal represents value for money (such as the number of dwellings provided/potential unlocked for the cost of the proposed infrastructure works). - Community benefit, including whether the degree by which works will facilitate community, affordable or social housing outcomes. • Extent of co-contributions proposed, taking into consideration: <ul style="list-style-type: none"> - The benefit the applicant(s) will derive from the project. - Sharing of risk appropriately between private parties and Government. - Demonstration the project will represent value for money. - Strengthening the deliverability of the project.

Following assessment by the Panel, recommendations will be considered by the Residential Lands and Housing Delivery Steering Committee (RLHDSC) for endorsement and the Residential Lands and Housing Delivery Ministerial Oversight Committee (MOC) for determination.

The MOC will make the final decision on applications.

Meeting eligibility requirements does not guarantee funding will be provided. Unsuccessful or deferred applicants will be provided with reasons for the decision.

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7. Funding agreement

All applicants will be notified of the outcome of their application.

Where required, successful applicants will be required to enter into a funding agreement. The agreement sets out the terms and conditions applicable and defines the roles and responsibilities.

Payments will be made directly to the infrastructure provider undertaking the works (i.e. Water Corporation or Western Power). As a result, a funding agreement with an applicant may not be required where the infrastructure project/upgrade is unconditional from the applicant's perspective or requires no commitment or involvement (i.e. no co-contribution or undertaking) by the applicant.

Infrastructure works/upgrades should be completed within twelve months of signing of the funding agreement. Consideration can be given to a longer time period, for reasons such as project complexity, resource/material availability, the need to wait for completion of related infrastructure works or design.

8. Project timing, reporting and acquittal

The project must be completed within the timing and terms set out in the Funding Agreement.

Successful applicants will be required to report on project progress and related measures. Reporting dates will be agreed at sign-off of the funding agreement.

9. Announcement of successful applications

Following execution of a funding agreement, information regarding successful applications will be published on the Department's website www.wa.gov.au/dplh. Information published will include:

- Applicant's name.
- Location of project/development.
- Project summary.
- Funding amount.

No commercial in confidence information will be published.

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Enquiries and support

All applications should be accompanied by supporting information from, or in collaboration with, the relevant servicing agency. Applicants are encouraged to discuss their application with the servicing agency as early as possible, prior to submitting an application.

Enquiries regarding the Unlocking Infill Precincts stream should be emailed to InfrastructureFund@dph.wa.gov.au.