

This Bulletin sets out recent changes to the *Planning and Environment Act 1987* made by the *Planning and Environment Amendment (Schools) Act 2012*.

GAIC Bulletin

GAIC and Schools

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GAIC 1/12

The *Planning and Environment Amendment (Schools) Act 2012* (the Amending Act) received Royal Assent on 14 February 2012 and takes effect from 15 February 2012.

The Amending Act implements the Government's election commitment to provide an exemption from the Growth Areas Infrastructure Contribution (GAIC) for government and non-government schools.

Part 9B of the *Planning and Environment Act 1987* (the PEA) provides for the GAIC to be levied on the first occurrence of specified transactions in relation to land in the contribution area. These transactions include transfers of land, subdivisions of land or substantive building works on the land. Purchasers of land are liable to pay the GAIC for land transfers while landowners are liable to pay the GAIC if they subdivide or develop the land.

The Amending Act introduces the following amendments:

1. A subdivision of land carried out solely to provide land for a school or proposed school is an excluded event which is not subject to the GAIC.
2. An application for a building permit for building works relating to a school or proposed school including purposes ancillary to a school is an excluded event which is exempt from the GAIC.
3. The term 'school' is defined to have the same meaning as in section 1.1.3 of the *Education and Training Reform Act 2006*. As such the exemption will apply to primary and secondary schools but not to preschools or tertiary education facilities.
4. The term 'construction' is defined to have the same meaning as in the *Building Act 1993*. This is to determine whether a construction of a single dwelling qualifies as an excluded building work under Part 9B of the PEA.

Ancillary building works

The term 'ancillary' is not defined in the Amending Act. Building work ancillary to a school is also excluded because ancillary work is important to the operation of a school but not necessarily used for general teaching. Many schools have buildings that would not have previously been considered as school buildings but are now considered to be part of a modern school or part of a school that is based on religious teachings. These buildings such as a school hall or chapel may also be used by the community outside of school hours and such buildings would qualify as purposes ancillary to a school.

Additional guidelines will be published in due course to clarify the type of building works that are considered as purposes ancillary to a school.

GAIC and transfers of land to schools

Government schools generally do not have to pay the GAIC as an exemption will apply if the transfer of land to a school of this type is exempt from duty.

For non-government schools, it is expected that the school provider, for example a church that buys land in a contribution area where a GAIC liability has not been triggered to build a non-government school, will be exempt from paying the GAIC if that transfer of land is exempt from duty.

It should be noted that the Amending Act does not address matters where the GAIC has already been imposed on land to be developed as a school. The GAIC may be effectively built into the cost of a school site which may, for example, be purchased as part of a comprehensive development estate. This issue will be addressed after further consideration by the Department of Planning and Community Development.



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Further information

Further information on the GAIC is contained in the 'GAIC Practitioners' Guide - GAIC 2/12' which is available on the website of the State Revenue Office (SRO).

Schools, developers and owners of land in the contribution area may contact the SRO or Growth Areas Authority (GAA) for further information or advice before making a decision relating to school sites in the contribution areas.

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