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Special Infrastructure Contribution – Western Sydney Growth Areas

The purpose of this circular is to advise councils, accredited certifiers and the public of recent changes relating to the special infrastructure contribution for Sydney's Growth Centres.

Background

The special infrastructure contribution has been in place in Sydney's Growth Centres since January 2007.

The special infrastructure contribution is designed to co-ordinate strategic land use planning with the provision of infrastructure.

The special infrastructure contribution provides certainty and consistency for the development industry in Western Sydney.

The special infrastructure contribution partly funds state or regional roads and land required for social infrastructure and facilities such as schools, health care facilities, emergency and justice purposes.

The contribution also funds some of the costs associated with planning and delivery of new precincts and the costs associated with maintaining the biodiversity certification of State Environmental Planning Policy (Sydney Region Growth Centres) 2006.

On 24 January 2011, changes relating to the Sydney Growth Centres special infrastructure contributions were made to:

- include land formerly within the interim transport levy areas of Elderslie, Spring Farm and Balmoral Road within the special contributions area for the Growth Centres (now called the Western Sydney Growth Areas Special Contributions Area)
- simplify the system of indexing

- introduce arrangements to allow for deferred payment of a monetary contribution.

Inclusion of land subject to the interim transport levy

Certain land at Elderslie and Spring Farm within the Camden Local Government Area and at Balmoral Road within The Hills Shire Local Government Area has been brought within the special infrastructure contribution determination.

Previously those areas were subject to 'satisfactory arrangements' provisions for regional transport infrastructure and services under the relevant planning instruments.

The amount of the special infrastructure contribution for the lands that were subject to the interim transport levy does not include the costs of precinct planning or biodiversity certification.

A map showing the special contributions area can be found on the NSW legislation website (www.legislation.nsw.gov.au).

Simplifying indexing

Contributions are indexed to account for changes in economic conditions between the time consent is granted and when contributions are made.

The requirements relating to indexing have been simplified.

Previously indexing was done on the basis of one index for land and another for the capital

component. Under the new arrangements indexing will be done annually (on or around 1 July) in response to movements in the Sydney CPI in the 12 months up until the previous March quarter.

The Department will also monitor land costs. Where there are significant changes in land costs (including the costs of acquiring land required to maintain biodiversity certification) a new determination may be issued to account for those changes.

Deferred payment of monetary contributions

The new determination includes provisions for deferred payment of monetary contributions for subdivision. These provisions have been included to stimulate housing supply.

The arrangements allow landowners to elect (with the approval of the Minister) to defer payment of monetary contributions to before the end of three years from the date of issue of a subdivision certificate or strata certificate, or at least 21 working days before the lot or strata lot is first transferred (following its creation), whichever is earlier.

Security for the deferred payment provisions will be provided by either a bank guarantee or a deed of charge and a caveat registered on title.

Savings and transitional arrangements

The revised arrangements took effect on 24 January 2011 and also apply to development applications that were pending on that date.

Transitional arrangements in the order to declare a special contributions area, the Ministerial determination and the direction to relevant councils preserve the effect of earlier instruments on things previously done under those arrangements.

Related information

The Ministerial determination under section 94EE of the *Environmental Planning and Assessment Act 1979* (the EP&A Act) and the direction to councils under section 94EF of the EP&A Act to impose a special infrastructure contribution on relevant development consents is also attached.

The order declaring the special contributions area (including the Western Sydney Growth Areas – Special Contributions Area Map) under section 94EG of the EP&A Act is available on the NSW legislation website.

Copies of the determination and the direction have also been published in the Gazette.

Further information

Copies of the EP&A Act, the EP&A Regulation and the order declaring the special contributions area are available online at <http://www.legislation.nsw.gov.au>

Note: This and other Department of Planning circulars are published on the web at <http://www.planning.nsw.gov.au/PlanningSystem/Circularsandguidelines/>

Authorised by:

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