

Draft Hunter Region Special Infrastructure Contribution

Frequently asked questions

January 2019

How is the NSW Government supporting the Hunter Region?

The *Hunter Regional Plan 2036* and *Greater Newcastle Metropolitan Plan* recognise the Hunter as the State's leading regional economy. They also acknowledge that infrastructure investment across the region will help to create new jobs, housing, and deliver new schools, roads, and transport, health and emergency services.

Alongside strategic planning, the NSW Government is making significant infrastructure investment in the Hunter, including infrastructure to support development activity such as new land releases, subdivisions and industrial facilities.

The Hunter Region Special Infrastructure Contribution (SIC) will assist funding infrastructure related to growth by providing up to \$468 million. This contribution represents approximately 15% of the total cost of regional infrastructure related to growth. The NSW Government will continue to provide most of the funding towards regional infrastructure.

What is a Special Infrastructure Contribution?

A Special Infrastructure Contribution (SIC) is a contribution from new development to assist in the funding of infrastructure required to support growing communities. Contributions are collected from new development for areas defined as special contribution areas, as part of the development approval process.

The Department of Planning and Environment (the Department) administers four SICs within Western Sydney and the Central Coast. The Department is preparing Special Infrastructure Contributions for growth areas in the Greater Sydney metropolitan area and high growth regional areas including the Hunter, Illawarra-Shoalhaven and the Central Coast.

What does the Hunter Region SIC pay for?

The Hunter Region SIC will help fund some of the key pieces of State and regional infrastructure needed to support a growing population in new land release development areas. The proposed Hunter Region SIC will help fund the following infrastructure:

- State and regional roads
- schools
- health facilities
- emergency services facilities

Who pays the SIC?

The Hunter Region SIC is paid by developers, and the requirement to pay SIC is identified in a development approval. The Department assesses the SIC to be made and administers the payment of the SIC.

The current contributions system requires developers in land release areas within the Hunter Region to negotiate voluntary planning agreements for each development site within an Urban Release Area. The Hunter Region SIC will replace the need to negotiate individual voluntary planning agreements.



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Where does the proposed Hunter Region SIC apply?

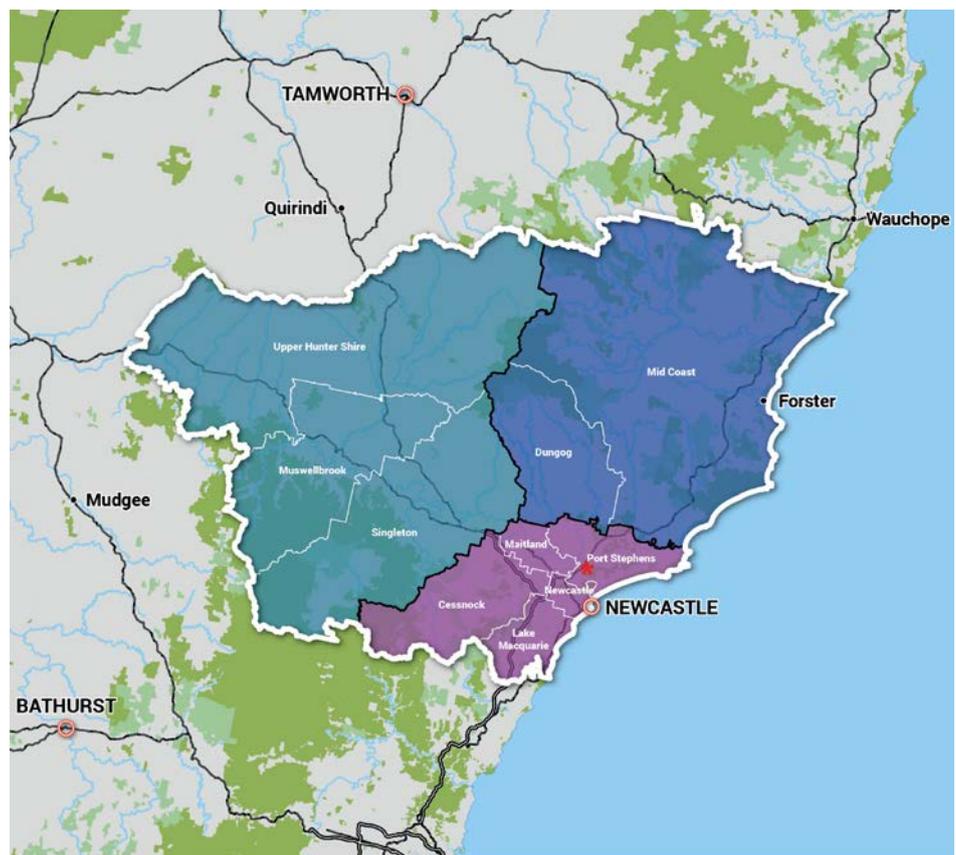
The Hunter Region SIC is proposed to apply to the entire Hunter region. This includes the local government areas of:

- Cessnock
- Dungog
- Lake Macquarie
- Maitland
- Mid-coast
- Muswellbrook
- Newcastle
- Port Stephens
- Singleton
- Upper Hunter

There are three service catchment areas across the Hunter Region:

- Lower Hunter
- Upper Hunter
- Mid-Coast

These service catchment areas are consistent with subregions identified in the Hunter Regional Plan 2036. Service catchments have different contribution rates to reflect the varying levels of new infrastructure and development across the region.



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What development does the SIC rate apply to?

The Hunter Region SIC applies to new land release residential and industrial development in areas that have recently been, or are identified to be, rezoned from a non-urban use, such as rural land, to an urban use, such as residential and industrial.

Payment of a SIC is required for a development that increases density. This includes:

- Subdivision of land to increase the number of residential lots;
- Carrying out of work to construct new residential dwellings; and/or
- Development of industrial sites in land release areas in the Hunter region.

Complying development under *State Environmental Planning Policy (Exempt and Complying Development Codes) 2008* is excluded from making SIC payments.

What is the proposed residential SIC rate?

The Hunter Region SIC Determination applies different contribution rates for residential development across the three service catchment areas of Lower Hunter, Upper Hunter and Mid-Coast.

Service catchment area	Proposed residential SIC rate, per lot or dwelling
Lower Hunter	\$9,857*
Mid-Coast	\$658
Upper Hunter	\$658

*A discount will be applied to the residential SIC rate for the Lower Hunter for the first three years to transition from the contribution rates currently paid to the full rate. The phased discount will be as follows:

- Year 1: \$8,871 per lot or dwelling
- Year 2: \$9,167 per lot or dwelling
- Year 3: \$9,561 per lot or dwelling
- Year 4: \$9,857 per lot or dwelling

What is the proposed industrial SIC rate?

The Hunter Region SIC also applies a charge for industrial development in the Lower Hunter service catchment area. The industrial SIC rate for the Lower Hunter is \$34,197 per hectare of Net Developable Area. The industrial SIC rate does not apply to the Mid-Coast and Upper Hunter catchment areas.

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What will happen to the existing system of making contributions via voluntary planning agreements?

One of the key benefits of the Hunter Region SIC is that it will effectively replace the reliance on negotiating voluntary planning agreements to meet requirements of developers to provide State and regional infrastructure. This will allow a much simpler process, reducing time spent negotiating, notifying and registering a voluntary planning agreement.

What happens to current voluntary planning agreements?

The majority of voluntary planning agreements for the provision of infrastructure already executed before the Hunter Region SIC Determination comes into effect will continue to operate. In these situations, a SIC contribution will not be required, as satisfactory arrangements have already been made for the provision of State infrastructure.

A draft *Guideline for sites under development* has been prepared, which outlines transition principles to guide implementation of the new Hunter Region SIC Determination and transitional arrangements for specific development areas. The Guideline is available on the Department's website at: www.planning.nsw.gov.au/huntersic

What are the benefits of a SIC?

The Hunter Region SIC has many benefits for the community, landowners, developers and councils, such as:

- speeding up the process of state developer contributions across 10 local government areas;
- offering transparency about the collection and distribution of funds for required infrastructure;
- applying different rates across different service catchment areas to reflect market conditions and infrastructure needs;
- giving the developer the option of delivery of infrastructure or dedicating land in lieu of their financial contribution, in some cases;
- supporting timely delivery of infrastructure in line with community expectations and rate of growth; and
- helping the development industry to contribute funding towards infrastructure that supports development of new communities.

How is a SIC different to local contributions collected by councils?

Local contributions are collected by local councils through Section 7.11 and 7.12 contribution plans. These plans, developed by local councils (under Section 7.11 and 7.12 of the EPA Act 1979), help fund infrastructure within their local government area.

Infrastructure in a local contributions plan differs to that in a special infrastructure contribution list. Special Infrastructure Contributions fund State and regional infrastructure and can only be determined by the Minister for Planning.

Will the community have the opportunity to have their say on the latest Hunter Region SIC?

The Hunter Region SIC draft determination and associated documents are now on exhibition until 25 February 2019. Documents on exhibition include:

- Draft Determination - which sets the SIC contribution rates, to what development the SIC applies, and how the SIC is to be made;



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- Draft Direction - which gives effect to the determination by directing consent authorities to impose conditions of consent that require contributions to be made in accordance with the determination;
- Draft Order - which identifies the special contributions area that the determination applies to;
- Supporting Maps - which includes a series of maps showing existing released land, referred to in the draft determination;
- Guideline for sites under development - which provides guidance for sites under development with existing arrangements for State and regional infrastructure provision in place; and
- Proposed approach Submissions Report - which provides an overview of the submissions received on the proposed approach and includes the Department's response to key issues raised.

Find out more

Visit our Infrastructure Funding website for additional information: www.planning.nsw.gov.au/huntersic

Call on 1300 305 695.

If English isn't your first language, please call 131 450. Ask for an interpreter in your language and then request to be connected to our Information Centre on 1300 305 695.

Email information@planning.nsw.gov.au

