

SPECIAL INFRASTRUCTURE CONTRIBUTION Western Sydney Growth Areas – Special Contributions Area

What is the Special Infrastructure Contribution?

The Special Infrastructure Contribution is a financial contribution paid during the development process to help fund regional infrastructure required to support development in the North West and South West Growth Centres over the next 20 years.

Why have a Contribution?

When land is rezoned to allow for more intense uses, there is an associated increase in land value. This increase is partly because rezoning means land can be used for higher uses, such as residential development, and also because the land will be supported by better roads, transport and community facilities and services.

The provision of infrastructure to newly rezoned land is essential. The Government therefore decided that part of the cost of the infrastructure will be met by Developers who benefit from the uplift in the value of the land caused by the provision of infrastructure.

How much is the Contribution?

The Special Infrastructure Contribution rates as at 1 July 2015 are listed below:

Class of development	Contribution rate
1. Development on residential land that is within a Western Sydney growth centre precinct subject to a precinct plan (as referred to in clause 5 (1) (a) of the Determination)	\$202,614 * per hectare of net developable area
2. Development on residential land within Balmoral Road Area, Elderslie Area or Spring Farm Area (as referred to in clause 5 (1) (b) of the Determination)	\$160,791* per hectare of net developable area
3. Development on industrial land that is within a Western Sydney growth centre precinct subject to a precinct plan (as referred to in clause 5 (1) (c) of the Determination)	\$87,838 * per hectare of net developable area
4. Development on any land that is within a Western Sydney growth centre precinct not subject to a precinct plan (as referred to in clause 5 (1) (d) of the Determination)	\$202,614 * per hectare of net developable area

** The SIC rate is indexed annually on 1st July as outlined in the Environmental Planning and Assessment (Special Infrastructure Contribution - Western Sydney Growth Areas) Determination.*

The Contribution represents 50 per cent of the estimated attributable cost of regional infrastructure required to support development in the Western Sydney Growth Centres, divided by the net developable hectares (see below) in the Western Sydney Growth Centres.

What will the Contribution pay for?

The Contribution will fund 50 per cent of the roads, bus services, open space, planning and delivery costs and land required for social infrastructure. The remaining 50 per cent of these costs will be funded by Government, as will the construction of social infrastructure -including emergency services and justice, education and health facilities.

This combination ensures the cost of infrastructure is shared between the broader community and the beneficiaries of development and will allow services which are an essential part of development to be delivered to service population growth.

The infrastructure to be funded by the Contribution is detailed in the Environmental Planning and Assessment (Special Infrastructure Contribution - Western Sydney Growth Areas) Determination.

What is the "net developable area"?

The net developable area is the total area of the land available for development, not necessarily the total area of a property itself. It does not include open space, drainage land, regional roads and land used for other public facilities. For example, if an area is partly developable and partly affected by drainage, only the area that is developable will incur the Contribution.

Who pays the Contribution and when?

The Special Infrastructure Contribution is a one-off charge which is incurred prior to the granting of a Subdivision or Construction Certificate from Council. The Special Infrastructure Contribution will be applied consistently across the Western Sydney Growth Centres.

It is payable by any landowner or developer who is developing or subdividing land. If a landowner has no plans to develop or subdivide their property, or wishes to sell their land to a developer who intends to develop or subdivide the property, then the landowner does not need to pay the Contribution.

What is 'Works in Kind'?

With the approval of the Minister for Planning and in consultation with relevant State agencies, the Department of Planning & Environment may accept the dedication of land or construction of capital works or other services which will provide a material public benefit, in lieu of a monetary contribution.

The value of any Works in Kind will be agreed between the Department of Planning & Environment and the developer. Generally, it is expected the amount of any credit for Works in Kind will be similar to the attributable cost of the works, as listed in the Appendix of the Environmental Planning and Assessment (Special Infrastructure Contribution - Western Sydney Growth Areas) Determination.

Why does the Contribution apply to areas already serviced by infrastructure?

Across the Western Sydney Growth Centres, existing infrastructure such as electricity, roads and water supply sufficiently service current residents. However, major upgrades of this infrastructure will need to be undertaken to meet the increased needs that accompany a growing population.