

Local Infrastructure Growth Scheme

Frequently Asked Questions

July 2017

What is the Local Infrastructure Growth Scheme?

The Local Infrastructure Growth Scheme (LIGS) funds the gap between the maximum contribution that councils can charge developers and the actual costs of essential local infrastructure in section 94 plans.

In greenfield areas, the cap on development is set at \$30,000 and in infill areas \$20,000. The funding goes towards delivering essential local infrastructure in housing growth areas, including roads, stormwater facilities and public open space.

What LIGS funding is being proposed as part of the current announcement?

The Government's announcement allocates \$369 million over the next three years to fund essential local infrastructure in key growth areas in Sydney and Wollongong. This will be allocated as development takes place to help fund roads, parks, and community facilities that are essential in the development of new communities.

The money will be applied to areas where LIGS funding is currently in place, areas where councils have recently applied for LIGS funding, as well as other zoned precincts in the Priority Land Release Areas.

These areas include:

- Precincts in Blacktown (Alex Avenue, Area 20, Marsden Park Industrial, Riverstone and Schofields) and The Hills (Balmoral Road, Box Hill, Box Hill North, and North Kellyville) local government areas where LIGS funding is currently in place;
- Precincts in Wollongong (West Dapto), Bayside (Rockdale Urban Renewal), and Blacktown (Marsden Park) where contributions plans have been or are currently being reviewed by IPART for LIGS funding; and
- Rezoned land in the South West Priority Land Release Area where a contributions plan has not yet been lodged for LIGS funding:
 - Camden Council - Oran Park, Turner Road and Catherine Fields (part);
 - Liverpool Council - Edmondson Park, Austral, Leppington, Leppington North and Leppington East.

How will changes to the cap affect development in these areas?

In areas that are part of the LIGS transition, the caps will increase by \$5,000 from 1 January 2018 to \$35,000 in greenfield areas and to \$25,000 in infill areas. An annual increase of \$5,000 will be applied to the cap on 1 July each year for two years until the cap is removed altogether on 1 July 2020.

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What about other areas?

LIGS changes will be made to the Ministerial direction so that infrastructure will be fully funded even in areas where LIGS funding will no longer be available. If a council proposes a contributions plan with rates above \$30,000 per dwelling in greenfield areas and \$20,000 per dwelling in infill areas, council will be able to seek IPART assessment of the plan against the Department's Essential Works List, and once approved in its final form, will be able to levy the full apportionable rate on development.

What about areas currently exempted from the cap?

No changes are proposed to areas which are currently exempted from the cap.

Why is the Local Infrastructure Growth Scheme changing?

The Government is providing a further \$369 million to fund essential local infrastructure to maintain this program for a further 3 years.

This investment in local infrastructure will support new housing supply and can provide confidence on the funding for essential local infrastructure over the coming years.

Will the Government still be funding infrastructure?

Yes. The Government will continue to support the funding and delivery of essential local infrastructure in Sydney's housing growth areas through the LIGS for three years. The Government's forward investment in local infrastructure will support new housing supply and can give confidence to the market over how infrastructure will be delivered over the coming years.

The Government will continue to support councils to deliver the infrastructure needed to support new development across NSW. As part of the Housing Affordability Strategy, the Government is committing to \$1.6 billion of investment in state infrastructure to accelerate housing in priority areas. The Government is also supporting interest reductions on up to \$500 million of loans for Fit for the Future councils seeking to invest in infrastructure for new housing supply.

The Government is also investing over \$73 billion in its infrastructure program over four years to 2019-20 to help drive economic growth throughout NSW by alleviating congestion and improving the quality of essential services.

Where can I find out more?

The Department of Planning and Environment website has a dedicated LIGS page where more information can be found: http://www.planning.nsw.gov.au/Policy-and-Legislation/Infrastructure/Infrastructure-Funding?acc_section=local_infrastructure_growth_scheme_ligs

For further information on Local Development Contributions please contact Service NSW on 13 77 18.