



Proposed Special Infrastructure Contribution

North West Growth Area

2018

September 2018





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Department of Planning and Environment

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Introduction

Planning for growth means planning to deliver new homes, jobs, open space, transport, infrastructure and services in time with growing demand.

A Special Infrastructure Contribution (SIC) is paid by developers within Special Contribution Areas (SCAs) to ensure funding for key infrastructure required to support growing communities.

Special Infrastructure Contributions allow priority infrastructure to be funded and delivered at the same time development is occurring, ensuring new and growing communities have access to the infrastructure and services they need in a timely manner.

By identifying priority infrastructure items to be funded by SICs and collecting contributions from developers at the time of development application, the Department can coordinate the delivery of roads, schools, health facilities, open space, emergency services, transport, and pedestrian and cycling connections before existing infrastructure can no longer keep up.



Developer funding to support growing communities in Western Sydney

A Special Infrastructure Contribution scheme has been in place in Western Sydney since 2011. During this time, the Department has collected \$311 million from developers and provided funding for a range of regional infrastructure projects.

To ensure its ongoing success and relevance, the SIC is reviewed regularly to remain up-to-date with current needs, housing forecasts and infrastructure required to support growth.

In response to recent planning work, including planned increases in residential development in the North West, Western Sydney Aerotropolis and South West Growth Areas, the existing Western Sydney SIC will be split into three separate Special Contribution Areas (SCAs). This change means that SIC rates and infrastructure schedules will be more closely aligned with the unique plans and infrastructure needs for each Growth Area.

What are the benefits of the SIC framework?

The SIC framework has many benefits for the community, landowners, developers and councils:

- Provides certainty to the community that the infrastructure identified in a Precinct Plan or Land Use Infrastructure and Implementation Plan will be funded and delivered
- Offers transparency about the collection and distribution of funds for required infrastructure
- Streamlines the planning process by reducing the number of individual planning agreements Councils and the Department of Planning and Environment have to negotiate
- Ensures the timely delivery of infrastructure in line with community expectations and rate of growth
- Provides certainty for business, councils and community that infrastructure is funded and will be provided alongside or soon after new developments
- Enables industry to contribute funding towards infrastructure that provides a direct benefit to the community and adds value to the development.

Progressing the new SIC for the North West Growth Area

We are here

1

Western Sydney SIC Determination is in place

Current Arrangement



Western Sydney SIC



2

Review of the current Western Sydney SIC has been completed

Proposed Arrangement



North West SIC



Western Sydney Aerotropolis SIC

South West SIC

3

Consultation on proposed SIC rates, boundaries, and infrastructure for North West, Western Sydney Aerotropolis and South West Growth Areas

4

Feedback is considered and any required changes are made to the proposed new SICs

5

Repeal the existing Western Sydney SIC Determination and implement new SICs for the North West, Western Sydney Aerotropolis and South West Growth Areas

6

New Special Contribution Areas and SIC rates applied for North West, Western Sydney Aerotropolis and South West Growth Areas

The existing SIC for Western Sydney will remain in place until a revised Determination is made by the Minister for Planning.

SIC and the North West Growth Area

Infrastructure delivered to date

A combination of sources including the Housing Acceleration Fund (HAF), Special Infrastructure Contributions, state budget allocation and developer works-in-kind have funded the delivery of the following infrastructure in the North West Growth Area:

- + Over \$560 million in major road upgrades (Schofields and Richmond Roads) and the delivery of the Ponds Primary School
- + \$39 million on land acquisition and design for road projects
- + \$21 million provided to the Environmental Trust to secure 170 hectares of land for biodiversity conservation

As we focus on delivering jobs, homes and infrastructure to support growing communities in a timely manner, it is also important to consider and manage the associated environmental impacts. Allocating SIC funding for biodiversity conservation means the Department can identify and secure land for environmental conservation to balance the clearing of land required for urban development.

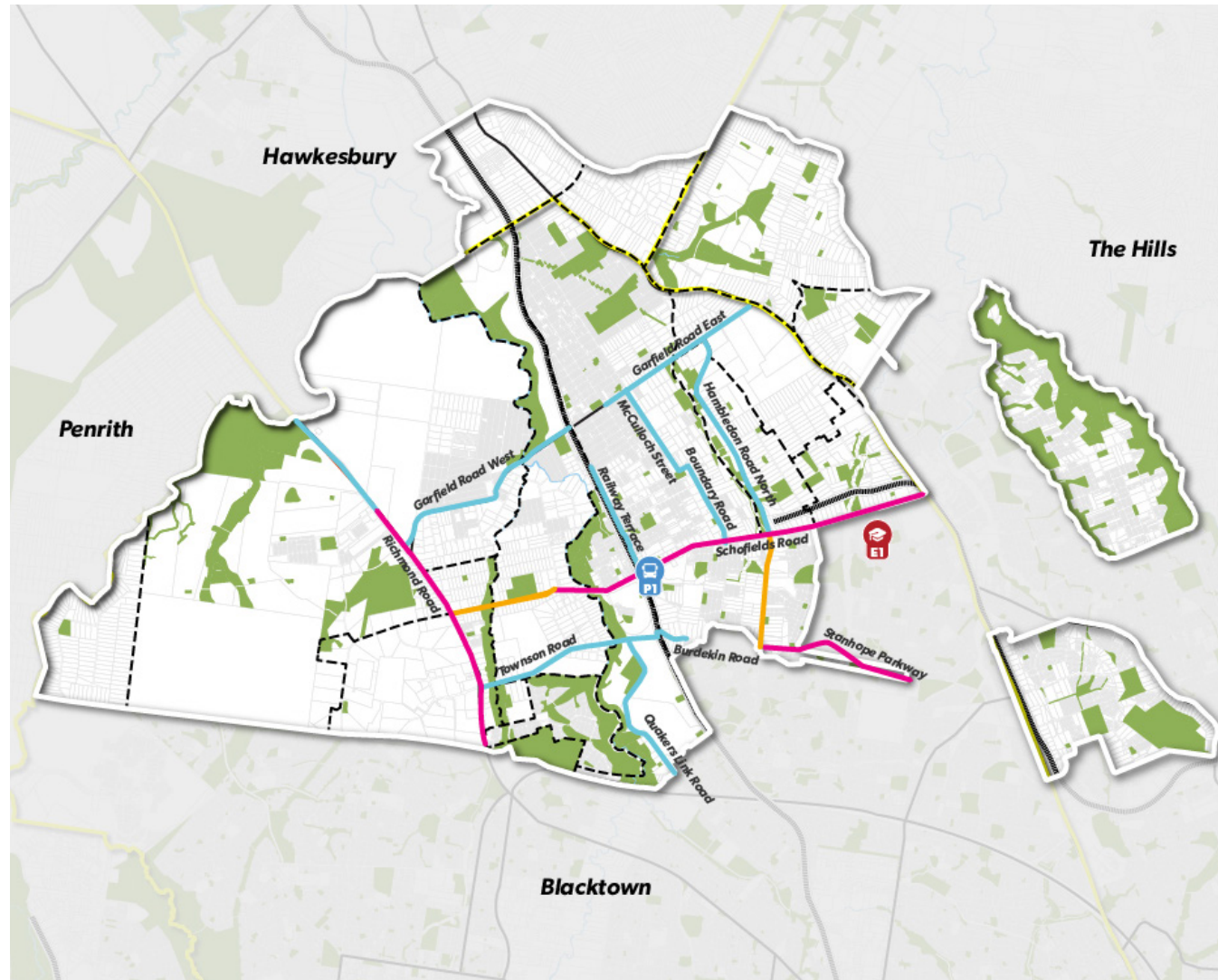
Special Infrastructure Contributions will be investigated for all Planned Precincts and Growth Areas across Sydney so that infrastructure funding and delivery is coordinated at the same time development is occurring in high-growth areas.

The proposed North West SIC will provide funding for key infrastructure identified in the Land Use and Infrastructure Implementation Plan for the North West Growth Area, released in May 2017.




The plan identifies the role of Special Infrastructure Contributions in delivering infrastructure projects to support new jobs, homes and services in the area over the next 30 years.



Current and delivered infrastructure projects in the North West Growth Area



Legend

- Completed Project
- In Progress
- Planning + Design
-  Public Transport Infrastructure
-  Education Infrastructure
-  Open Space Infrastructure
- - - Precinct Boundary
- LGA Boundary
- Roads
- ||||| Railway
- Waterways
- Green Space

How does a Special Infrastructure Contribution work for Planned Precincts and Growth Areas?

1. Planning



Planned Precinct identified

An area that has planned population and job growth, and land development potential.



Consultation

Community, landowners, councils, developers, government agencies and other stakeholders are consulted to develop the Precinct Plan and land is rezoned to allow for development.



SIC is drafted

The Department of Planning and Environment, in consultation with councils and government agencies, identifies: the infrastructure schedule - the planned infrastructure that can be funded by SIC, and the rate - how the cost will be shared across new developments.



Consultation

The draft SIC is put on public exhibition, during which time community, landowners, councils, developers, government agencies and other stakeholders can provide feedback and submissions through the Department website.

2. Contribution



SIC is determined

Once feedback is considered, the Minister makes the determination and the SIC will now apply to new developments in the contribution area.



Development application to council

Local councils consider the development application and direct the proponent to pay the SIC to the Department.



Contribution is made

Developers may pay the SIC to the Department or build a piece of infrastructure identified in the infrastructure schedule.

3. Delivery



New homes

Newly-developed homes are sold to buyers at market value. The cost of the SIC should not be passed on to buyers.



New infrastructure

The Department coordinates councils, government agencies including Transport for NSW, Roads and Maritime Services, Education, and Health, to deliver SIC-funded infrastructure, and regional open space.



Community revitalised

New homes, jobs and facilities for a growing community.

Special Infrastructure Contributions pay for:



Schools



Emergency services



Regional pedestrian paths



Regional Roads



Bus infrastructure



Health facilities



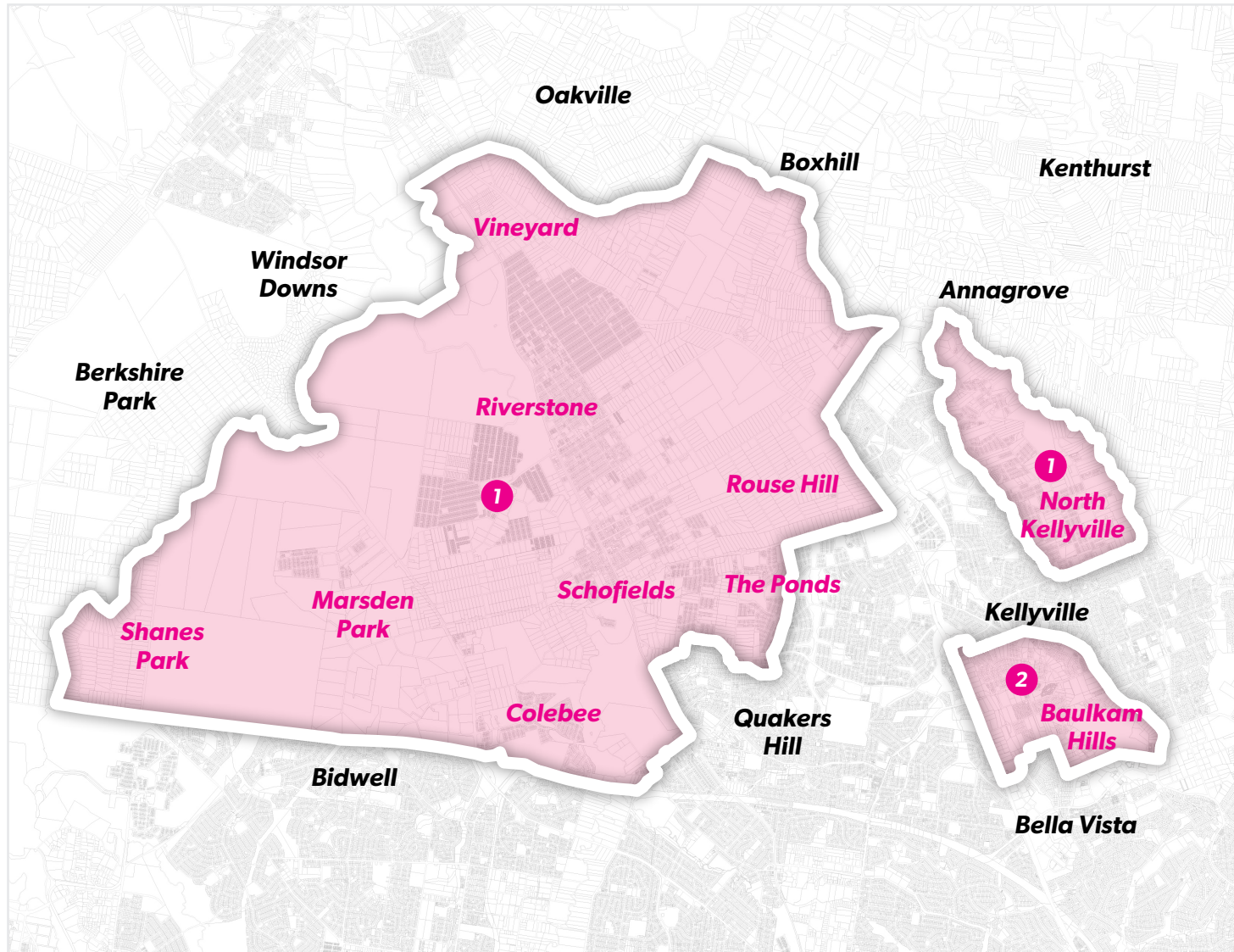
Regional open space



Regional cycleways

Proposed North West Special Contribution Area

The North West SIC will apply in the area shown below. More information about the rates can be found on page 9.



Precincts

1. North West
2. Balmoral Raod

Proposed charge areas

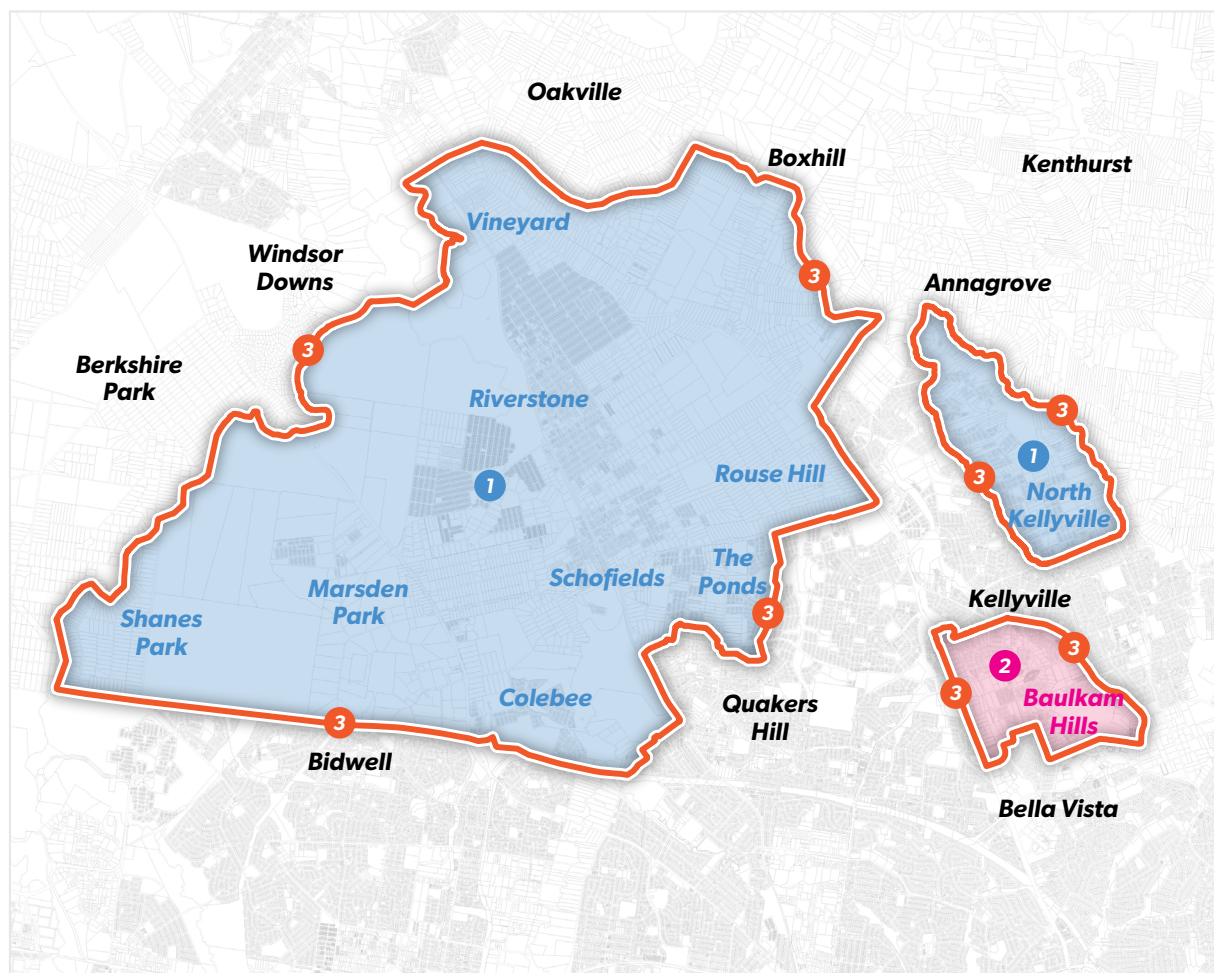
The SIC for the North West Growth Area has been separated into three rates as follows:

Charge area	Rate
1. North West Residential	\$15,426 per dwelling
2. Balmoral Residential	\$15,267+ per dwelling
3. North West Industrial	\$98,367 per hectare NDA

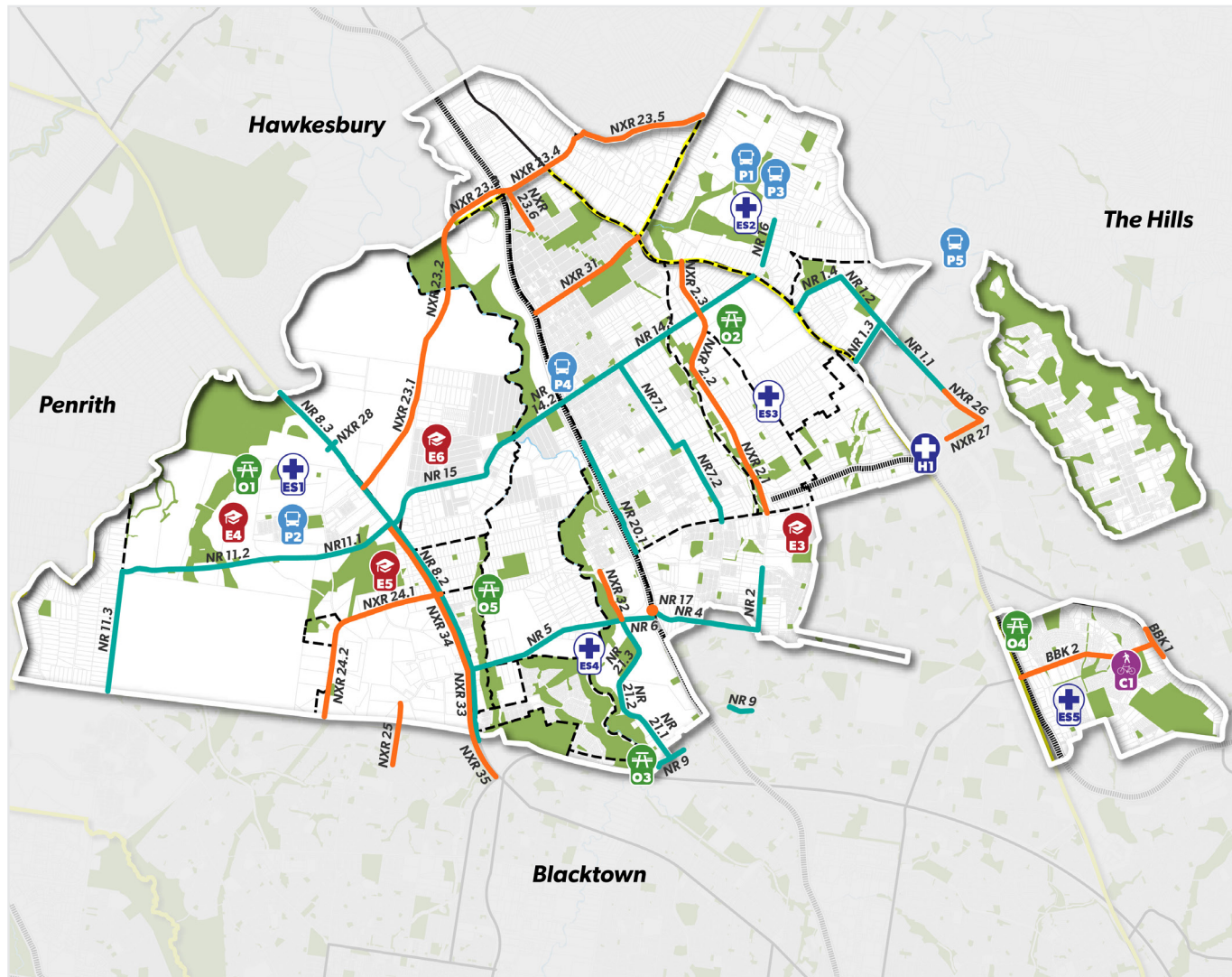
The Department will be able to pool SIC funds collected across the contribution area to prioritise and coordinate the delivery of infrastructure in time with demand.

The proposed infrastructure map on page 10 shows the projects to be funded by the North West SIC.

For a full list of infrastructure projects and estimated costs, see 14-16.



Proposed Infrastructure map



Legend

- Proposed SIC Road Upgrade
- Current SIC Road Upgrade
- P1 Active Transport Infrastructure
- P8 Public Transport Infrastructure
- E3 Education Infrastructure
- H1 Health Infrastructure
- ES1 Emergency Services Infrastructure
- O1 Open Space Infrastructure
- Precinct Boundary
- LGA Boundary
- Roads
- Railway
- Waterways
- Green Space

Note:

1. Location of Education, Public Transport, Emergency Services and Health Infrastructure is indicative only. Subject to further investigation and confirmation by respective agencies.
2. Bus Head Start Program and biodiversity conservation measures not shown

Proposed SIC rates

The SIC rates have been calculated based on:

- + the anticipated demand for new infrastructure that will be created by development;
- + the cost of infrastructure identified;
- + the impact of other contribution levies applied in the area;
- + the forecast number of additional residential dwellings to be delivered within the Special Contribution Area;
- + ensuring adequate funding for infrastructure, while ensuring the rates applied do not impact development feasibility and housing supply; and
- + maintaining the existing 50% discount of the total cost of infrastructure identified by the State government.

Why are there three separate SIC rates within the Greater North West SCA?

Special Infrastructure Contributions for the North West, Western Sydney Aerotropolis and South West Growth Areas will continue to provide funding for biodiversity certification. The impacts of development in Growth Areas can be assessed and offset by securing land for environmental conservation.

The Balmoral Residential SIC rate is slightly lower than the North West Residential rate as the land in this precinct is not subject to biodiversity conservation measures.

A per hectare net developable area (NDA) rate will still apply for industrial development in the North West Special Contribution Area to ensure infrastructure to connect people to jobs is funded and delivered.



Frequently asked questions

What is a SIC?

A Special Infrastructure Contribution (SIC) is paid by developers to share the cost of delivering the infrastructure required to support growing communities in time with demand. SICs can be used to fund schools, regional open space, health and emergency services, state and regional road upgrades, some public transport infrastructure and regional pedestrian and cycling links.

The Department will work with other state government agencies and Blacktown, Hawkesbury and Hills Shire Councils to determine the timing of project delivery, considering current and forecast development rates and infrastructure capacity.

Who is required to pay a SIC?

Anyone creating additional demand for infrastructure by subdividing land in the North West Growth Area will be required to pay a SIC. If you are building a home on land that has already been subdivided, you will not be required to pay a SIC.

Collecting SICs as part of the development process (when land is subdivided in greenfield areas or at the development application stage in urban renewal areas) will ensure key infrastructure is funded and delivered in time with development.

Developers may dedicate land for or build a piece of infrastructure listed in the SIC Determination, instead of making a financial contribution.

The delivery of infrastructure instead of a financial contribution is known as a Works-In-Kind agreement.

What will the SIC deliver in the North West Growth Area?

The North West Growth Area will benefit from the delivery of over \$3 billion of essential infrastructure over the next 30 years. Fifty percent (\$1.5 billion) will be funded by developer contributions under the North West SIC, including:

- + Roads, intersections, bridges (\$1.05 billion)
- + Public transport facilities (\$80 million)
- + Land and works for schools (\$95 million)
- + Health facilities (\$35 million)
- + Emergency services facilities (\$7 million)
- + Regional active transport/cycling and pedestrian facilities (\$4 million)
- + Open space and conservation (\$69 million)
- + Biodiversity (\$101 million); and
- + Planning and delivery costs (\$63 million).

A more detailed list of proposed infrastructure funded by the SIC can be found on pages 14 and 16.

SIC rates and projects will be reviewed regularly to ensure that the most appropriate infrastructure solutions are delivered to support growing communities into the future.

How is the proposed North West SIC different to the existing Western Sydney SIC?

The current Western Sydney Growth Area rate is based on net developable area. This rate does not account for the additional demand for infrastructure created by higher density residential development.

The proposed rates for the North West SIC will apply on a per-dwelling basis for residential development so that contributions will be more closely aligned with the demand and pace of residential development.

A per-hectare net developable area (NDA) rate will still apply for North West Employment Land to fund infrastructure associated with industrial development.

A comparison of the existing rates for the Western Sydney SIC and the proposed rates for the North West SIC:

Category	Rate	Current Western Sydney SIC	North West SIC
North West Residential	per ha NDA	\$214,511	N/A
	per dwelling	\$14,583*	\$15,426
Balmoral Residential	per ha NDA	\$170,232	N/A
	per dwelling	\$11,573*	\$15,267
North West Employment Land	per ha NDA	\$92,995	\$98,367

*The equivalent per additional dwelling rate based on the dwelling density assumed in the original Western Sydney SIC determination.

The SIC and other developer contributions

Local contribution plans (such as Section 7.11 and 7.12) will still apply. Local contributions fund local infrastructure and are the responsibility of councils, while the SICs fund state and regional infrastructure and are the responsibility of the Department to administer. Items in local contribution plans are different to those included in a SIC plan so there is no double-up of funding.

Where a Voluntary Planning Agreement (VPA) has been previously negotiated with a landowner or developer for the provision of state infrastructure, the Department will take this into account and developers will not be charged under both mechanisms (i.e. will not be double-charged).

To ensure development feasibility and housing supply are not impacted by the SIC, other development costs, fees and charges are taken into account when setting the SIC rate.

If I am building a home on an existing lot will I have to pay the SIC?

A SIC payment is not required if you are building a home on an existing lot. The SIC would have been paid when the subdivision certificate was issued.



Proposed Infrastructure schedule

The Department will work with other state government agencies and Blacktown, Hawkesbury and Hills Shire Councils to determine the timing of project delivery. Other state infrastructure identified in the draft plans for the North West Growth Area and not funded by the SIC will be the responsibility of the relevant agency to fund and deliver.

Regional / State Road Network **\$2,151,269,961**

Current SIC Roads **\$1,169,311,500**

NR1.1	Withers Road - Mile End Road to Annangrove Road	\$21,400,000
NR1.2	The Water Lane - Annangrove Road to Nelson Road	\$26,250,000
NR1.3	Annangrove Road - Windsor Road to The Water Lane	\$28,250,000
NR1.4	Nelson Road - Windsor Road to The Waters Lane	\$18,100,000
NR2	Hambledon Road - Schofields Road to Burdekin Road/Stanhope Parkway	\$5,750,000
NR4	Burdekin Road - Walker Street to Railway Terrace	\$6,400,000
NR5	Townson Road - Meadow Road (Eastern end) to Richmond Road	\$86,500,000
NR6	Townson Road - Meadow Road to Burdekin Drive	\$87,750,000
NR7.1	McCulloch Street - Kensington Park Road to 400m south of Garfield Rd East	\$2,875,000
NR7.2	Boundary Road and part of Kensington Park Road - Schofields Road to McCulloch Street	\$2,875,000
NR8.2	Richmond Road - Townson Road to Access road to Elara Boulevard	\$86,814,500.00
NR8.3	Richmond Road - Access road to Elara boulevard to South Creek	\$95,770,000

Regional / State Road Network

Current SIC Roads

NR9	Quakers Hill Parkway - Quakers Road to Hambledon Road (2 x intersections only)	\$11,000,000
NR11.1	Garfield Road West Extension - Richmond Road to Glengarrie Road	\$9,162,000
NR11.2	Abell Road - Glengarrie Rd to Stoney Creek Rd	\$89,250,000
NR11.3	Stony Creek Road - (TTM) New Shanes Park Rd to Palmyra Ave	\$25,750,000
NR14.1	Garfield Road East - Riverstone Central approx. Piccadilly St (600m east of Railway Tce) to Windsor Rd	\$97,850,000
NR14.2	Garfield Road Central - Within Riverstone Central (TTM) Railway Tce to 600m east (at approx. Piccadilly Street)	\$71,725,000
NR15	Garfield Road West - (TTM) Richmond Rd to Railway Tce - 4km on existing	\$186,200,000
NR16	Terry Road - Windsor Road to Manson Road	\$22,700,000
NR17	Burdekin Road Rail Overpass - Burdekin Road bridge over rail, and Railway Terrace	\$28,750,000
NR20.1	Railway Terrace - Riverstone Road to Schofields Road	\$35,750,000
NR21.1	Quakers Road - Quakers Hill Parkway to End Quakers Rd	\$17,000,000

Regional / State Road Network

Current SIC Roads

NR21.2	Quakers Road - (TTM) Northern end of Quakers Rd to northern boundary of Nirimba Education Precinct (approx. Colebee Street).	\$23,000,000
NR21.3	Quakers Road - (TTM) Northern boundary of Nirimba Education Precinct to Townson Road	\$32,000,000
BBK1	Memorial Avenue upgrade	\$50,440,000

Proposed New SIC Roads **\$935,188,461**

NXR2.2	Hambledon North Extension Street - Guntawong Road to Garfield Road East	\$58,000,000
NXR2.3	Hambledon North Extension Street - Garfield Road East to Windsor Road	\$30,250,000
NXR23.1	Bandon Road - Richmond Road to Carnarvon Road	\$92,500,000
NXR23.2	Bandon Road - Carnarvon Road to Bandon Road (Existing)	\$183,000,000
NXR23.3	Bandon Road (+ Railway Underpass) - Bandon Road (existing) to Wallace Road	\$119,800,000
NXR23.4	Bandon Road - Wallace Road to Windsor Road	\$38,500,000
NXR23.5	Bandon Road - Windsor Road to Boundary Road	\$130,000,000
NXR23.6	Wallace Road - Deviation of Wallace Rd to Riverstone Parade, including Hamilton St	\$34,500,000
NXR24.1	South Street West - Richmond Road to Glengarrie Road	\$44,250,000
NXR24.2	South Street West - Glengarrie Road to Castlereagh Freeway	\$46,010,000
NXR25	Daniels Road Bus Only Link - Hollingsworth Road to Daniels Road	\$15,600,000

Regional / State Road Network

Proposed New SIC Roads

NXR26	Withers Road - Commercial Road to Mile End Road	\$21,400,000
NXR27	Commercial Road - McCombe Avenue to Withers Road	\$9,450,000
NXR28	Richmond Road Intersection CH5500	\$7,242,000
NXR31	Loftus Street - Windsor Road to Hamilton Street	\$11,359,283
NXR32	Veron Road - Townson Road to Schofields Road	\$3,097,178
NXR33	Richmond Road - Bells Creek to Townson Road - 6 lane upgrade	\$19,750,000
NXR34	Richmond Road - Townson Road to Access road to Elara Boulevard - 6 lane upgrade	\$31,600,000
NXR35	Richmond Road - Bells Creek to M7 - 6 lane upgrade	\$17,380,000
BBK2	Windsor Road widening upgrade	\$21,500,000

Public Transport **\$159,728,000**

Depots and Interchanges - Land Acquisition

P1	Depot - Box Hill - Land	\$21,000,000
P2	Intermediate Interchange - Bus/Bus - Marsden Park - Land	\$2,100,000
P3	Intermediate Interchange - Bus/Bus - Box Hill - Land	\$2,100,000
P4	Low Level Interchange - Bus/Rail - Riverstone - Land	\$2,100,000

Depots and Interchanges - Capital Cost

P1	Depot - Box Hill	\$5,100,000
P2	Intermediate Interchange - Bus/Bus - Marsden Park	\$6,000,000
P3	Intermediate Interchange - Bus/Bus - Box Hill	\$6,000,000

Public Transport continued**Depots and Interchanges - Capital Cost**

P4	Low Level Interchange - Bus/Rail - Riverstone	\$3,000,000
P5	Edwards Bus Only Link	\$5,000,000

Bus Head Start Initiatives (items not included in SIC Roads)

NW4	Schofields Town Centre access	\$17,600,000
NW6	Marsden Park Town Centre access	\$19,500,000
NW14	Connection to western side of Western Sydney University Nirimba (Quakers Hill)	\$7,600,000
NW19	Cudgegong Centre bus access	\$8,900,000
NW13	Windsor Road	\$53,728,000

Pedestrian and Cycling Facilities

C1	New pedestrian/cycle bridge over Memorial Avenue adjacent to Pellizzer Boulevard	\$8,000,000
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Education

E1	Primary Schools - Land	\$126,000,000
E2	Secondary Schools - Land	\$28,000,000
E3	The Ponds Primary School Site	\$7,180,000
E4	Marsden Park - K12 School Site	\$16,000,000
E5	Marsden Park - Eastern Primary School Site	\$6,600,000
E6	Marsden Park - Northern Primary School Site	\$6,600,000

Health

H1	Health Facility at Rouse Hill	\$70,000,000
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Emergency Services

ES1	Fire Station - Land - Marsden Park	\$1,750,000
ES2	Fire Station - Land - Box Hill	\$1,750,000
ES3	Police Station and Court Facilities - Land	\$4,200,000
ES4	Ambulance Station - Land	\$7,000,000
ES5	State Emergency Services - Land	\$255,500

Biodiversity

B1	Biodiversity Certification - Land Acquisition	\$124,452,863
B2	West Schofields ENV Land acquisition	\$77,410,000

Regional Open Space

OS1	Land Acquisition - Marsden Park	\$38,300,000
OS2	"Land Acquisition - Part Rouse Hill Regional - Park Stage 2	\$58,996,015
OS3	Land Acquisition - Part Western Sydney Parklands	\$19,263,551
OS4	Open Space - Kellyville	\$21,878,753.00

Planning and Delivery

Precinct Planning and Delivery	\$43,317,969
Interest On Initial Borrowings	\$5,515,000
SIC Grants and Historic Costs	\$77,108,400

Total Infrastructure Estimate**\$3,013,806,012**

Operation of the North West SIC

A SIC will be payable for all additional residential homes built within the contribution area.

This includes:

- + attached dwellings
- + dual occupancy
- + dwelling houses
- + multi-dwelling housing
- + residential flat buildings
- + semi-detached dwellings
- + a group of self-contained dwellings for seniors housing
- + shop top housing.

Public housing, seniors housing or affordable housing carried out by or on behalf of a social housing provider will not be subject to a SIC.

The SIC may be made either as a monetary contribution (developer pays the SIC amount) or by delivering works-in-kind (developer provides land or works based on the infrastructure schedule instead of paying the SIC rate).

For any new residential development, the number of existing homes will be deducted from the total number of dwellings proposed to calculate the number of additional dwellings and therefore the amount to be paid via the SIC.

For example, on a site with a block of four existing dwellings that will be developed into a block of 12 residential dwellings, the SIC will only be payable on the 8 additional dwellings.

Special Infrastructure Contribution Payable

4
dwellings



12
dwellings



Additional dwellings subject to SIC levy: 8

Number of previously existing dwellings not subject to SIC levy: 4

Development Feasibility Assessment

The SIC rate is based on a range of factors, including the cost of infrastructure needed to support growth in the precinct, the anticipated number of additional dwellings and development feasibility.

The Department has been working closely with other government agencies, Blacktown, Hawkesbury and Hills Shire Councils, external consultants and industry representatives to ensure that the proposed SIC for the North West Growth Area will not impact housing supply in the area.

The proposed SIC rates have been informed by a **feasibility assessment**. The cost of other developer contributions, construction and developer margins are considered when setting the rates for each charge area.

Once the SIC for the North West Growth Area has been determined by the Minister for Planning, the Department will be responsible for periodic reviews of the SIC rates, SCA boundaries, infrastructure projects and costs and adjust as required.

Regular reviews will allow the Special Infrastructure Contribution framework to stay up-to-date with changes to land value and rezoning, key infrastructure projects and any other significant changes to the area.

To ensure the SIC remains up-to-date with the changing costs of land and construction services, the infrastructure costs and contribution rates will be updated each year.

An annual reporting framework will identify the contributions collected and the level of funding allocated in each Special Contribution Area to ensure transparency about the collection of funds and delivery of infrastructure.

Before the proposed Special Infrastructure Contribution for the North West Growth Area can be applied, the Department must consider all feedback made during its exhibition. The proposed Western Sydney Aerotropolis and South West SICs must also be exhibited and all feedback considered.

The existing Western Sydney Special Infrastructure Contribution scheme will remain in place until new Determinations are made by the Minister for Planning.

The Department will continue to work with Blacktown, Hawkesbury and Hills Shire Councils and other government agencies to ensure the most appropriate project solutions are delivered to support growth and development in the precinct over time.

Have your say on the draft North West SIC

You are welcome to provide feedback on the proposed Special Infrastructure Contribution for the North West Growth Area, including the rates, special contribution area and infrastructure schedule until 2nd November 2018.

You can have your say on the Department's website at:

planning.nsw.gov.au/northwestsic

Or write to:

Director, Planned Precinct Infrastructure Delivery
Department of Planning and Environment
GPO Box 39
Sydney NSW 2001

To stay up to date on the North West SIC, register for updates through the Department's website

More information



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