



2018

Proposed Special Infrastructure Contribution

Greater Macarthur

November 2018



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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 a charge 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 SIC before rezoning 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 as communities grow.



Proposed Special Infrastructure Contribution for the Greater Macarthur Growth Area

A draft Special Infrastructure Contribution scheme is proposed to help fund the costs of new and upgraded state and regional infrastructure required to support growth in Menangle Park, Gilead and North Appin, West Appin and Appin East at no additional cost to government. The SIC ensures developers will contribute to the cost of delivering infrastructure to support new homes and jobs across the precincts, estimated to be \$1.58 billion over the next 30 years, including:

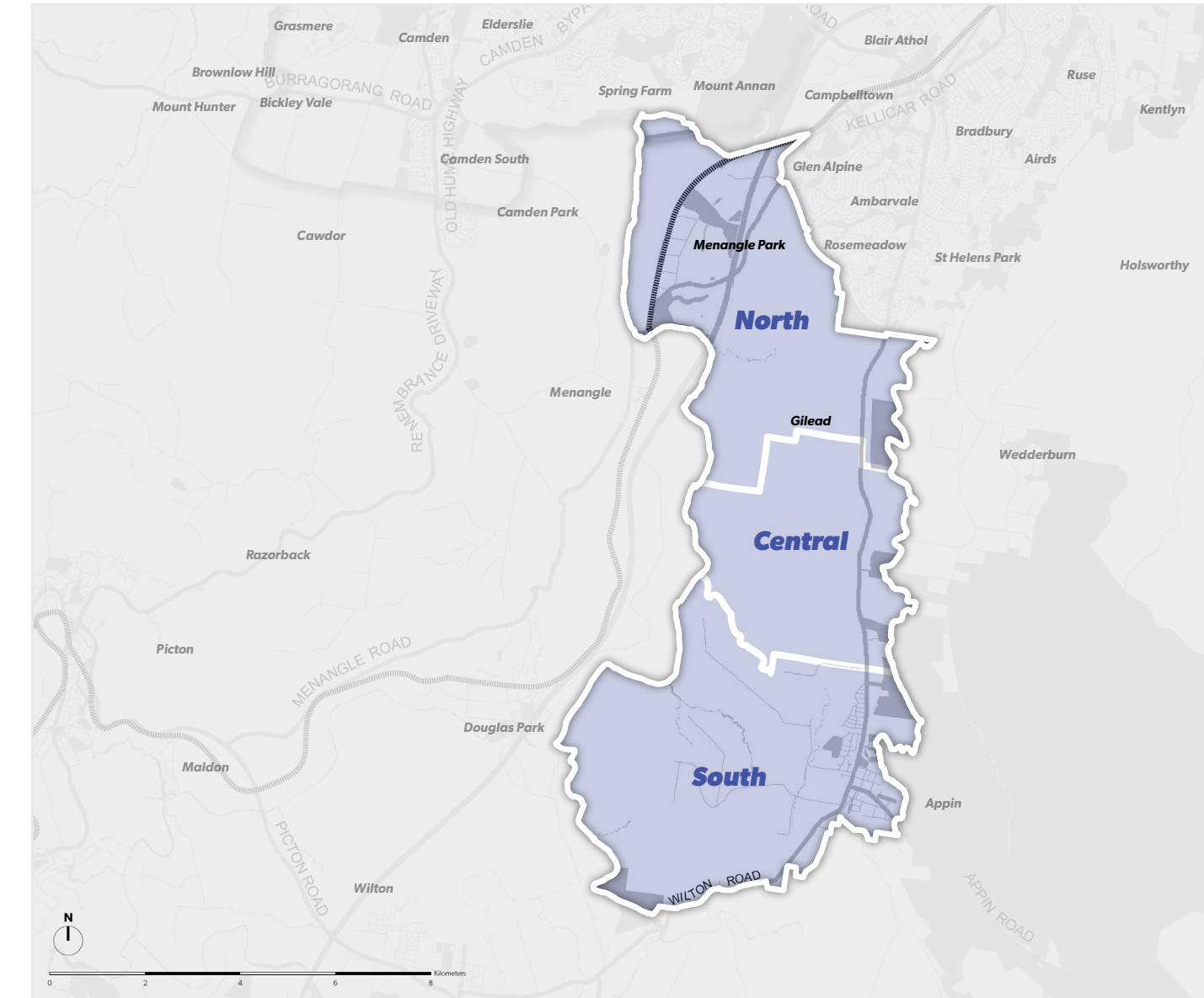
- + Road and intersection upgrades: \$1.23 billion
- + Land for future public transport corridor: \$96 million
- + Land for schools: \$60 million
- + Land for Integrated Health Hubs: \$1.5 million
- + Land for emergency services and police stations: \$1.75 million
- + Land for biodiversity conservation: \$174 million
- + Planning and delivery costs: \$23.4 million

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.

Proposed Special Contribution Area and Rate



The proposed SIC rates are calculated on a per additional residential dwelling/lot basis. There are 3 rates proposed for Greater Macarthur Growth Area:

- + Greater Macarthur North: \$39,710
- + Greater Macarthur Central: \$43,985
- + Greater Macarthur South: \$43,432

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. Special Infrastructure Contributions 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 Council 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 delivering additional homes in the Greater Macarthur Growth Area will be required to pay a SIC.

Collecting SICs at the development application stage will ensure key infrastructure is funded and delivered in time with development.

Developers may dedicate land for or build a piece of required infrastructure, instead of making a financial contribution. The delivery of infrastructure instead of a financial payment is known as a Works-In-Kind agreement.

What will the SIC deliver in the Greater Macarthur Growth Area?

The SIC levies by developers will contribute to the cost of delivering infrastructure to support new homes in Menangle, Gilead, North Appin, West Appin and Appin East estimated to be \$1.58 billion over the next 30 years, including:

- + Regional roads
- + Land for schools, community health facilities, police and emergency services
- + Biodiversity Conservation; and
- + Planning and delivery costs.

A more detailed list and map of proposed infrastructure funded by the SIC can be found on pages 11 and 12.

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.

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; and
- + ensuring adequate funding for infrastructure, while ensuring the rates applied do not impact development feasibility and housing supply.

SICs and other infrastructure 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.

What happens if development begins before the SIC for the Greater Macarthur Growth Area is in place?

Before the proposed SIC for the Greater Macarthur Growth Area is in place, planning proposals will require satisfactory arrangements to be in place to ensure required regional infrastructure is provided. This is negotiated with the Department through a voluntary planning agreement (VPA), which can be made by a cash payment or works-in-kind to deliver the infrastructure. Any development application that is already approved will not be subject to a SIC charge.



Greater Macarthur Growth Area and the Glenfield to Macarthur Corridor

What is the relationship between Glenfield to Macarthur and Greater Macarthur (greenfield) SICs?

Separate SICs are proposed for the Glenfield to Macarthur Urban Renewal corridor, and the Greater Macarthur land release area. This reflects the different approaches to future development, and the different infrastructure needs in greenfield locations compared to urban renewal areas.

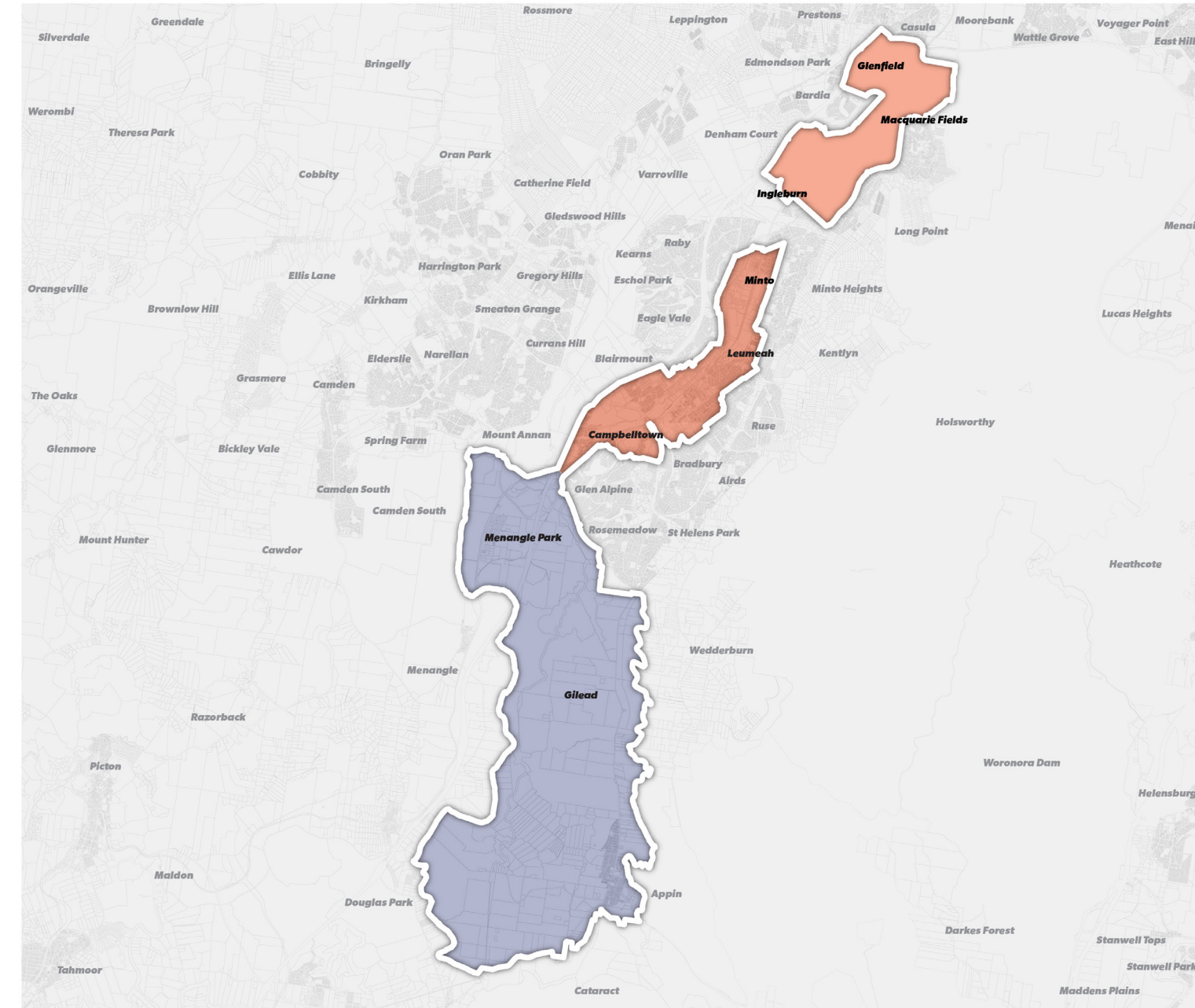
The Greater Macarthur 2040 Interim Plan consists of the Glenfield to Macarthur urban renewal corridor in the north and the Greater Macarthur Growth Area (greenfield) in the south. It sets a 20-year vision and will be reviewed and updated over time. It provides a framework for urban renewal along the rail corridor from Glenfield to Macarthur and land release areas from Menangle Park to Appin.

Why are there different charges for different SICs / SCAs?

Applying rates that are tailored to different areas means developers contribute their fair share towards infrastructure to support the growing community, while also ensuring development feasibility is taken into account.

The ability to pay a SIC relates to changes in zoning, which create an uplift in land value. Investigations showed potential SIC charge rates varied greatly across the two Special Contribution Areas (SCA) Greater Macarthur (greenfield) and Glenfield to Macarthur Corridor.

Greater Macarthur is a greenfield area with a higher value uplift from rezoning, greater infrastructure needs, and higher proposed SIC rates than Glenfield to Macarthur. The Greater Macarthur SIC will fund state and regional infrastructure and biodiversity conservation measures at no additional cost to government. Glenfield to Macarthur is predominantly an urban renewal location with generally higher existing values, therefore the value uplift and capacity to pay a SIC will be less.



The map shows the geographic relationship between the Glenfield to Macarthur and Greater Macarthur SCAs



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

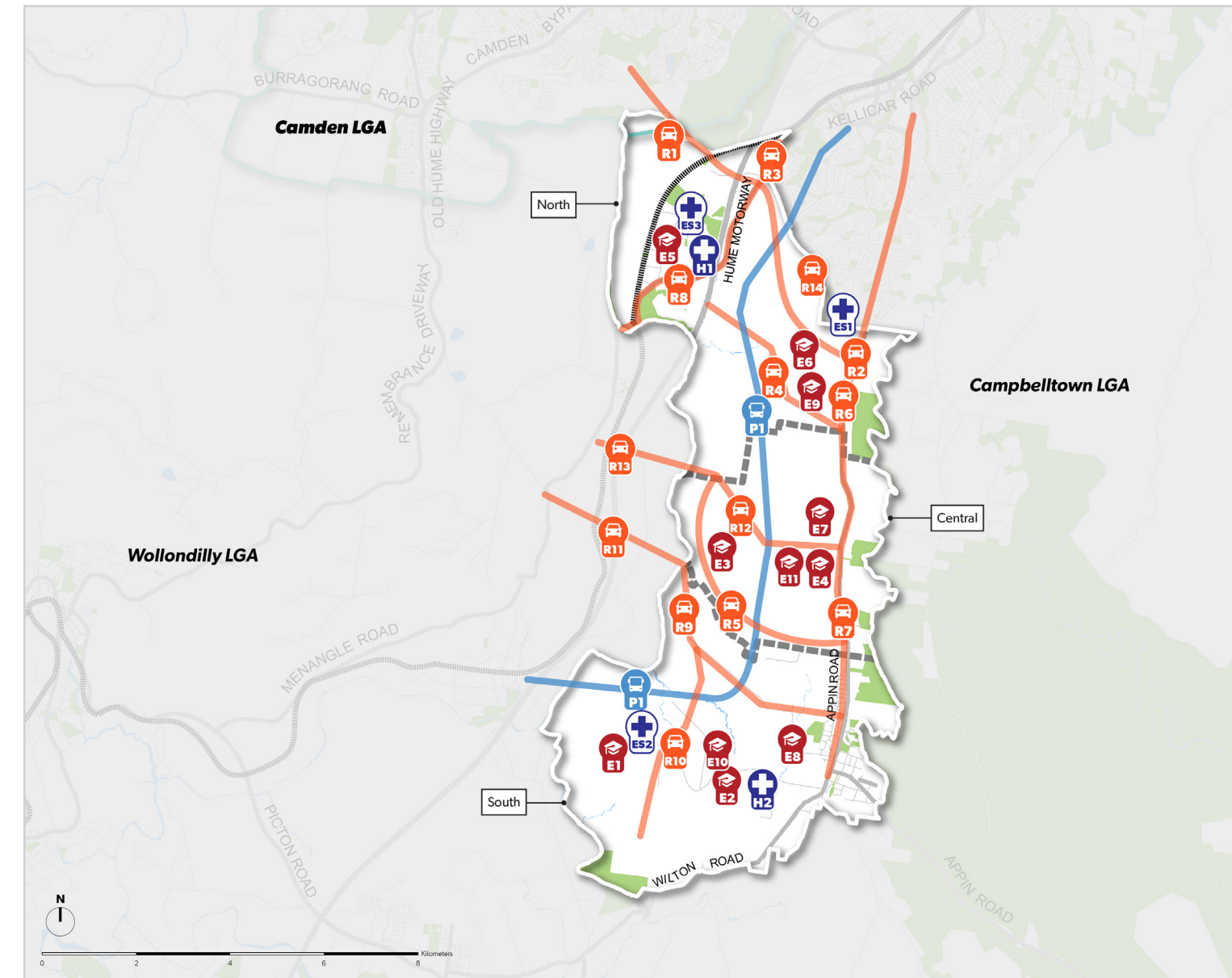
Proposed Infrastructure Schedule and Map

The Department will work with other state government agencies and Campbelltown and Wollondilly Shire Councils to determine the timing of project delivery, considering current and forecast development rates and infrastructure capacity. Other state infrastructure identified in the plan and not funded by the SIC will be the responsibility of the relevant agency to fund and deliver.

Special Infrastructure Contributions

Roads	1,226,241,000
R1 Spring Farm Parkway - New 4 lane arterial road between Appin Road and Liz Kernohan Drive	\$100,755,000
R2 Appin Rd North - upgrade to 4 lanes between Kellerman Drive and Malatty Creek	\$108,518,000
R3 Spring Farm Parkway - Interchange Ramps to Hume Highway	\$26,686,000
R4 Mt Gilead North - new 4 lane sub-arterial road	\$82,468,000
R5 Mt Gilead South - new 4 lane sub-arterial road	\$130,757,000
R6 Appin Rd North - Widened to 6 lanes - Malatty Creek to Narellan Road	\$42,143,000
R7 Appin Rd South - Widened to 4 lanes - Malatty Creek to Brooks Point Road	\$57,081,000
R8 Menangle Rd - Widened to 4 lanes - Picton Road to Englorie Drive	\$90,647,000
R9 Macquariedale Rd - Subarterial upgrade Appin Road to Menangle Road	\$209,495,000
R10 Link Rd B - New subarterial 4 lane road	\$86,645,000
R11 Macquariedale Rd - Interchange Ramps to Hume Highway	\$34,038,000
R12 Link Road A - New subarterial 4 lane road	\$164,995,000
R13 Link Road A - Interchange Ramps to Hume Highway	\$49,306,000
R14 Spring Farm Parkway East - Widened to 6 lanes	\$42,706,000

Education	\$60,000,000
9 x Primary Schools - Land Acquisition	\$45,000,000
2 x Secondary School - Land Acquisition	\$15,000,000
Health	\$1,500,000
H1-2 2 x Integrated Health Hubs - Land Acquisition	\$1,500,000
Public Transport	\$96,246,500
P1 Transit Corridor North - Land Acquisition	\$42,800,000
P2 Transit Corridor South - Land Acquisition	\$53,446,500
Open Space & Conservation	\$173,878,314
Biodiversity Certification	\$173,878,314
Emergency Services	\$1,750,000
ES1 Fire & Rescue Station Mt Gilead - Land Acquisition	\$625,000
ES2 Police Station Menangle Park - Land Acquisition	\$500,000
ES3 Fire & Rescue Station West Appin - Land Acquisition	\$625,000
Planning and delivery	\$23,394,237
Precinct Planning	\$15,596,158
Precinct Delivery	\$7,798,079



Legend

- Road Infrastructure
- Public Transport Infrastructure
- Precinct Boundary
- Railways
- Major Road
- Local Roads
- Waterways
- Green Space

Note: Location of Education, Public Transport, Emergency Services and Health Infrastructure is indicative only. Subject to further investigation and confirmation by respective agencies.

Operation of the Greater Macarthur SIC

A SIC will be payable for all additional residential dwellings built within the contribution area. This includes:

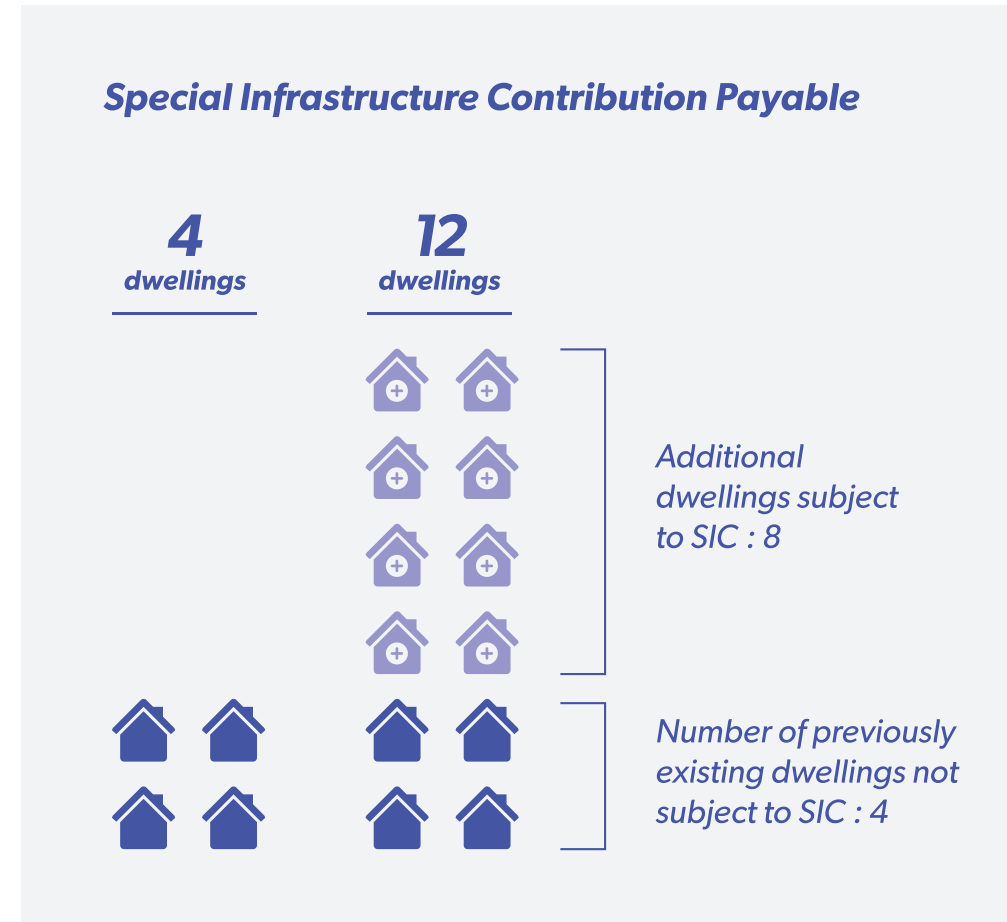
- + attached dwellings;
- + dual occupancy;
- + dwelling houses;
- + multi-dwelling housing;
- + residential flat buildings;
- + semi-detached dwellings;
- + a group of self-contained dwellings that is for seniors housing; and
- + shop top housing.

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 rate) 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 dwellings 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.



Calculating the SIC rate

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, Campbelltown and Wollondilly Shire Councils, external consultants and industry representatives to ensure that the proposed SIC for Greater Macarthur will not impact housing supply in the area.

The proposed SIC rates have been informed by a **feasibility assessment**. This means 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 Greater Macarthur 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.

This 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.

Information about the indexation process can be found on the Department's website.

An annual reporting framework is proposed to 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 SIC has been Determined by the Minister, no SIC charge will be applied to development that is consistent with the Local Environmental Plan (LEP). Where a planning proposal is lodged and the SIC charge has not been Determined by the Minister, satisfactory arrangements will be made for the provision of state infrastructure.

The Department will continue to work with Campbelltown and Wollondilly 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.

The Department will also ensure the environmental values of Greater Macarthur are incorporated in project design, including koala-friendly infrastructure.

Have your say on the draft Greater Macarthur SIC

You are welcome to provide feedback on the proposed Special Infrastructure Contribution for Greater Macarthur, including the rate, special contribution area and infrastructure schedule until 8 February 2019.

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

planning.nsw.gov.au/greatermacarthur

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 progress of the Greater Macarthur SIC,
register for updates through the Department's website.

More information

 Visit planning.nsw.gov.au/greatermacarthur

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