

Planning and Environment



# Housing and Productivity Contribution

Implementation Guideline

August 2023







# Acknowledgement of Country

The Department of Planning and Environment acknowledges that it stands on Aboriginal land. We acknowledge the Traditional Custodians of the land and we show our respect for Elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

Published by NSW Department of Planning and Environment  
Housing and Productivity Contribution Implementation Guideline

First published: August 2023

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# Contents

Introduction	4
What is a Ministerial planning order?	4
Ministerial planning order	5
When will the contribution start?	5
Where will the contribution apply?	5
What types of development will the contribution apply to?	5
What will the contribution rates be?	6
What types of development will be exempt from paying a contribution?	7
How will the contribution be calculated?	7
When will the payment be made?	7
Other charge components in some areas	8
Implementation matters	14
Will local contribution plans still apply?	14
Transitioning existing Special Infrastructure Contributions	14
Phasing-in the contribution	14
Works-in-kind Agreements	15
State Planning Agreements	15
Digitised calculation and payments	15
Governance	16
Governance framework overview	16
Infrastructure Opportunities Plan	16
Housing and Productivity Fund	16
Funding for councils	16
Deciding infrastructure priorities for funding	16
Appendix – Examples	18
Calculating the Housing and Productivity Contribution amount	18

# Introduction

The successful coordination and funding of state and regional infrastructure across our State's high growth areas will create better connections to our communities, access to jobs, improve liveability and build a strong economy.

The NSW Government is focused on creating more homes in places where people want to live and work, located near the services people need. Infrastructure is the backbone of our cities and regions and is a vital part of achieving more housing supply and greater economic activity.

Reforming the State infrastructure contribution system is a key priority so that roads, schools, health services and open spaces are delivered in a timely manner to areas of housing growth.

On 28 June 2023, the NSW Parliament passed the *Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Act 2023*. The Housing and Productivity Contribution replaces the previous Special Infrastructure Contribution (SIC) provisions in the NSW planning legislation and is a fair and consistent development charge that will help fund the delivery of State infrastructure in high-growth areas.

The Act is planned to commence on 1 October 2023.

More information about the legislation is available [here](#).

The Housing and Productivity Contribution will be set by a Ministerial planning order.

## What is a Ministerial planning order?

A Ministerial planning order is an order that is made by the Minister and published on the NSW Planning Portal (see section 1.4 of the Act). In practice, they are decisions of the Minister and can relate to a range of development issues such as nominating assessment authorities and declaring types of development as State significant.

Current Ministerial planning orders can be viewed at [pp.planningportal.nsw.gov.au/Orders](http://pp.planningportal.nsw.gov.au/Orders).

The Housing and Productivity Contribution will be implemented by a Ministerial planning order which sets out:

- when it starts
- where the contributions will apply
- the types of development that the contributions will apply to
- the amount of the contribution
- when it needs to be paid and other details about how the contributions will be administered.

The draft Ministerial planning order has been published on our website and is available to view until Friday 8 September 2023.



# Ministerial planning order

## When will the contribution start?

The Housing and Productivity Contribution will start on 1 October 2023 after the Ministerial planning order is made.

The Minister will obtain the concurrence of the NSW Treasurer before the Housing and Productivity Contribution order starts.

The new scheme will apply to development applications made on or after the commencement date. If a contribution is required, it will be imposed as a condition of development consent. This includes applications for a complying development certificate, as well as any new development application that follows a withdrawal or refusal (see clause 25 of the order).

An application is made once it has been submitted in the NSW Planning Portal and the application fees have been paid.

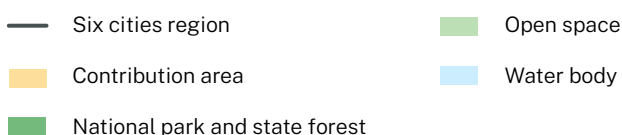
## Where will the contribution apply?

The Housing and Productivity Contribution will apply in the Greater Sydney, Illawarra-Shoalhaven, Lower Hunter and Central Coast regions. The boundaries are consistent with local government area boundaries excluding the Western Sydney Growth Areas Special Contributions Area and Western Sydney Aerotropolis SCA which will transition in 2026.

The Housing and Productivity Contribution Regions Map is part of the draft Ministerial planning order and will be published on the NSW Planning Portal (see clause 4 of the order).



**Figure 1:** Housing and Productivity Contribution boundaries



## What types of development will the contribution apply to?

The Housing and Productivity Contribution applies to development for the purposes of:



residential development



commercial development



industrial development

These classes of development are defined in the draft Ministerial planning order (see clause 5 of the order).

The Ministerial planning order then sets out the ways this development is carried out for the purpose of determining the contribution amount, called a 'unit'. This is because 'new dwellings' or 'new lots' generated as a result of the residential development or 'new gross floor area' for commercial or industrial development will increase the demand for infrastructure in a region.



## What will the contribution rates be?

The Housing and Productivity Contribution rates in each region and the types of development are set out in the table below (see clause 7 of the order).

**Table 1:** Housing and Productivity Contribution Rates

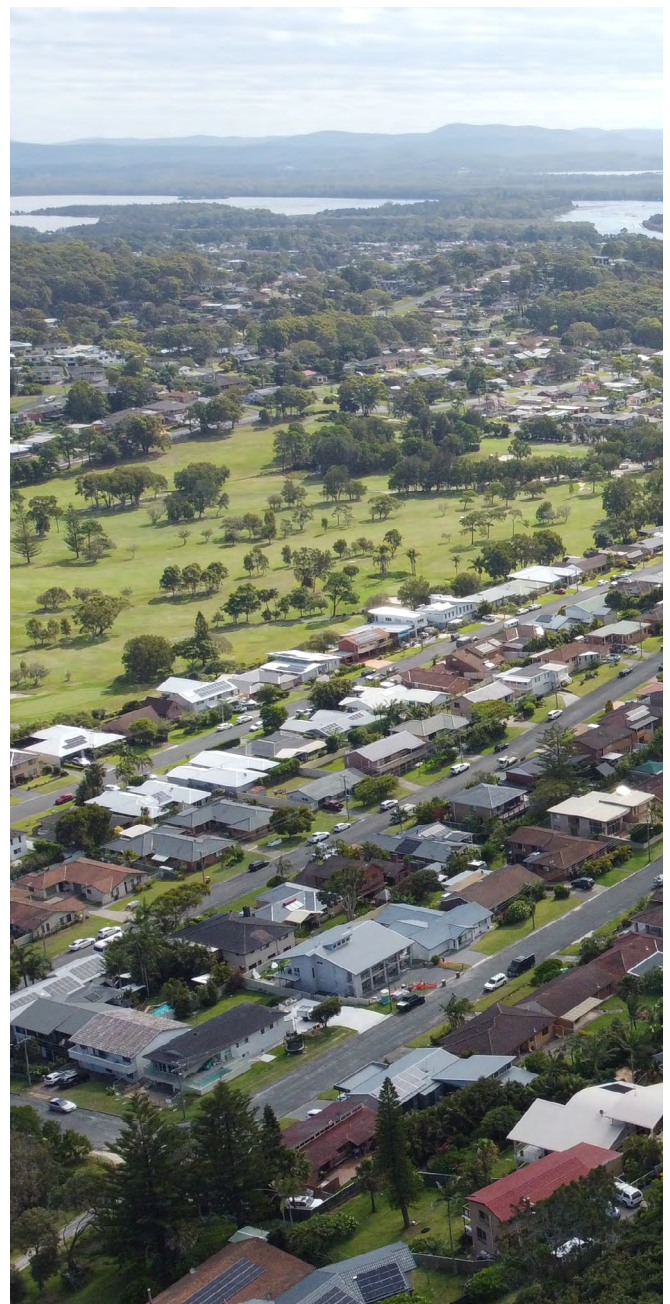
Greater Sydney		
Development class	Amount	Unit
Residential subdivision	\$12,000	new dwelling lot
Residential strata subdivision	\$10,000	new strata dwelling lot
Non-strata multi-dwelling development	\$10,000	new non-strata dwelling
Commercial development	\$30	square metre of new GFA
Industrial development	\$15	square metre of new GFA

Central Coast, Illawarra Shoalhaven and Lower Hunter		
Development class	Amount	Unit
Residential subdivision	\$8,000	dwelling lot
Residential strata subdivision	\$6,000	new strata dwelling lot
Non-strata multi-dwelling development	\$6,000	new non-strata dwelling
Manufactured home estate	\$6,000	new dwelling site
Commercial development	\$30	square metre of new GFA
Industrial development	\$15	square metre of new GFA

The rates in the Ministerial planning order will be adjusted to account for changes in costs of infrastructure over time. This is called indexation. The contributions will be increased in line with the Producer Price Index (Road and Bridge Construction (NSW)) that is published by the Australian Bureau of Statistics (see clause 9 of the order).

These adjusted rates will be regularly published on the NSW Planning Portal. The contribution required at the time of the approval of the development application (DA) or complying development certificate (CDC) will be calculated by the NSW Planning Portal using the adjusted rates.

The condition of consent will also provide for the contribution to be adjusted at the time of payment (see clause 22 of the order) and this will be managed through the NSW Planning Portal.



## What types of development will be exempt from paying a contribution?

The Housing and Productivity Contribution is not required for development that does not generate any additional infrastructure demand. This includes replacement residential dwellings (knock down rebuilds) and refurbishment of existing commercial or industrial developments that does not increase the gross floor area.

The Housing and Productivity Contribution is also not required for any of the following types of development (see schedule 2 to the order):

- **public housing** provided by on behalf of the Land and Housing Corporation or Aboriginal Housing Office,
- **affordable housing** that:
  - is provided by or on behalf of a social housing provider (within the meaning of the Housing SEPP), or
  - is required to be managed by a registered community housing provider as a condition of development consent
- dwellings required to be dedicated, free of cost, for the purpose of providing **affordable housing** under section 7.32 of the Act,
- **supportive accommodation** within the meaning of section 34 of the Housing SEPP,
- **specialist disability accommodation** within the meaning of the Commonwealth National Disability Insurance Scheme (Specialist Disability Accommodation) Rules 2020,
- **boarding houses,**
- **group homes,**
- **seniors residential care facilities** and **hostels** under the Housing SEPP, or
- development in the Port Botany, Port Kembla and the Port of Newcastle lease areas.

The Housing SEPP can be viewed at [legislation.nsw.gov.au/view/html/inforce/current/epi-2021-0714](https://legislation.nsw.gov.au/view/html/inforce/current/epi-2021-0714).

## How will the contribution be calculated?

The contribution will be calculated in the NSW Planning Portal and will use information about the development proposal that is submitted by the applicant (with any changes that may happen during the assessment process).

Division 3 of the order contains more detail about each part of the calculation. Some worked examples are provided in the appendix.

The requirement to pay the contribution is imposed as a condition of consent by the consent authority, using the contribution amount provided by the NSW Planning Portal.

## When will the payment be made?

Clause 20 of the order sets out the timing of payment. For applications that are for residential subdivision only, the contribution is to be paid before the first subdivision certificate is issued.

For all other types of applications, the contribution is to be paid before:

- the issue of the first construction certificate in relation to the development, and
- if no construction certificate is required for the development – before the commencement of any work authorised by the development consent or complying development certificate.

For infill self-care seniors living, build to rent, and manufactured home estates the contribution is paid prior to construction certificate. If no construction certificate is required, the contribution is paid prior to installation of the first manufactured home, and any separate and subsequent subdivision does not attract a further charge.

For larger projects including large greenfield subdivisions and concept development applications, the payment can be divided into stages consistent with development approvals (see clause 21 of the order).

## Other charge components in some areas

### Strategic biodiversity component

The biodiversity conservation legislation allows the Minister for the Environment to grant strategic biodiversity certification for a whole region. This approach can improve biodiversity outcomes and provides a simpler approach for landholders to meet their biodiversity approval and offsetting obligations. The reformed infrastructure contributions framework allows the collection of contributions where land has the benefit of strategic biodiversity certification.

The strategic biodiversity component is additional to the base component and will only apply to new developments on land that has been biodiversity-certified under the *Biodiversity Conservation Act 2016* (BC Act).

A key objective of the strategic biodiversity component is to provide a simpler process for biodiversity offsetting by applying a charge on development and using this revenue to fund a program of conservation land acquisition, biodiversity stewardship sites and ecological restoration. The funds will be held by the Department of Planning and Environment in a special deposits account. The funds can only be spent on the direct environmental measures outlined in the biodiversity certification approval. This can include purchasing environmental offsets outside of the area where the contributions are collected from, but only in accordance with the biodiversity certification approval.

The strategic biodiversity component rates have been derived from the cost of:

- assessing direct, indirect, and cumulative impacts to biodiversity of the proposed development by a person accredited to use the Biodiversity Assessment Method
- establishing and managing new conservation lands to offset impacts to biodiversity to protect threatened ecological communities, species, and their habitats in perpetuity
- managing landscape-scale threats to biodiversity by addressing weeds, pest animals, fire, disease.

Where an area does not have the benefit of strategic biodiversity certification, legislative requirements to offset biodiversity impacts will need to be met for each individual development through the NSW Biodiversity Offsets Scheme. Development will need to manage their own costs of obtaining environmental approvals.

### Strategic biodiversity certification programs

In Western Sydney there are two strategic biodiversity certification programs including Cumberland Plain Conservation Plan and the Growth Centres Biodiversity Offset Program. There are also other strategic biodiversity certification programs operating in NSW.

The strategic biodiversity component will apply to CPCP certified land from 1 October 2023 (excluding certified land within the Western Sydney Aerotropolis SIC which will transition at a later date).

The department will consider collecting strategic biodiversity component contributions from certification programs in the future. The reformed infrastructure contributions framework allows these programs (and any future programs) to collect a biodiversity contribution from areas benefitting from a strategic biodiversity certification.

### Cumberland Plain Conservation Plan

The Cumberland Plain Conservation Plan is one of the largest strategic conservation plans undertaken in Australia, providing the biodiversity approvals to enable new housing, jobs and infrastructure in the Western Parkland City while protecting the region's unique native plants and animals. The Conservation Plan was approved under NSW legislation in August 2022 and removes the need for landowners to seek their own biodiversity offsets. Information about the Cumberland Plain Conservation Plan is available at [www.planning.nsw.gov.au/policy-and-legislation/strategic-conservation-planning/cumberland-plain-conservation-plan](http://www.planning.nsw.gov.au/policy-and-legislation/strategic-conservation-planning/cumberland-plain-conservation-plan).

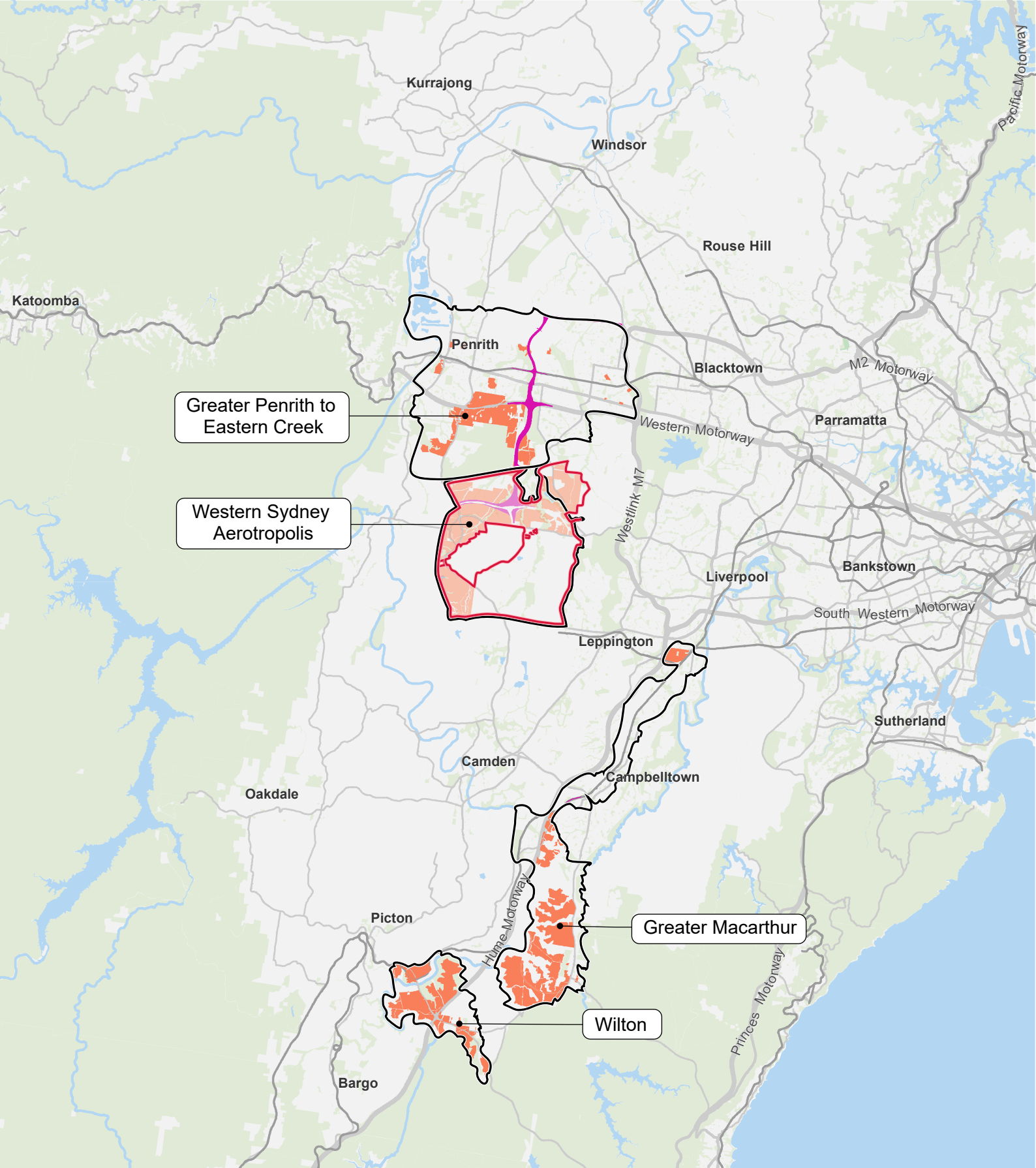
The Cumberland Plan Conservation Plan certification includes 26 commitments and 131 actions designed to improve ecological resilience and protect biodiversity. The funds collected through the 'CPCP strategic biodiversity component' will be held by the Department of Planning and Environment in a special deposits account. The funds can only be spent on the direct environmental measures outlined in the biodiversity certification approval.

### What area and types of development will be subject to the CPCP strategic biodiversity component?

A CPCP strategic biodiversity component is required for the same development as the base component.











Schedule 3 of the order provides detail on the CPCP strategic biodiversity component and where it applies.





**Figure 2:** Strategic Biodiversity Component - CSCP



- |   |  |   |  |   |             |
|---|--|---|--|---|-------------|
|  | Growth area boundary                                   |  | Certified - urban capable land   |  | Open space  |
|  | Western Sydney Aerotropolis Special Contributions Area |  | Certified - major transport corridor   |  | Road        |
|   |  |  | Certified - urban capable land (Aerotropolis to transition by 1 July 2026)       |  | Railway     |
|   |  |  | Certified - major transport corridor (Aerotropolis to transition by 1 July 2026) |  | Watercourse |

**What will the CPCP strategic biodiversity component rates be?**

The CPCP strategic biodiversity component rates are based on full cost recovery to deliver direct conservation measures under the Cumberland Plain Conservation Plan’s program. The costs cover the establishment and management of new conservation lands to offset impacts to biodiversity to protect threatened ecological communities, species, and their habitats in perpetuity. The costs are based on known acquisition costs for new conservation reserves proposed under the conservation plan and credit costs for biodiversity stewardships agreements in Western Sydney.

The CPCP strategic biodiversity component rates are shown in Table 2 below (see Schedule 3 to the order).

**Table 2:** CPCP strategic biodiversity component rates

Greater Sydney CPCP biodiversity certified land		
Development class	Amount	Unit
Residential subdivision	\$10,000	new dwelling lot
Residential strata subdivision	\$10,000	new strata dwelling lot
Non-strata multi-dwelling development	\$10,000	new non-strata dwelling
Commercial development	\$60	square metre of new GFA
Industrial development	\$30	square metre of new GFA

The CPCP strategic biodiversity component will be introduced for the Cumberland Plain Conservation Plan certified land and is expected to commence on 1 October 2023. The CPCP strategic biodiversity component will follow the same phase-in approach as the Housing and Productivity Contribution base component.

The CPCP strategic biodiversity component rates have been tested through a capacity to pay assessment to understand the potential implications for development feasibility. The results of this assessment can be found at [www.planning.nsw.gov.au/biodiversity-contributions](http://www.planning.nsw.gov.au/biodiversity-contributions).

An alternative to paying a monetary contribution is an offer to dedicate land through a voluntary planning agreement. A planning agreement is not an appropriate or practical option for all land in the Conservation Plan area. The department has published criteria to clearly outline whether land offered for dedication is of sufficient biodiversity value to reduce or remove the need to pay the CPCP strategic biodiversity component and can be found at [www.planning.nsw.gov.au/biodiversity-contributions](http://www.planning.nsw.gov.au/biodiversity-contributions).







## Transport project component

The transport project component is an additional contribution for new development on land near significant transport infrastructure investment that increases development potential. For example, land around a new metro station that benefits from increased height may be required to contribute toward the metro project.

The amount of the contribution will be determined based on a 'capacity to pay' analysis. The amount of the contribution, the areas where it applies and the type of development it applies to will be set out in the Ministerial planning order.

A transport project component can only be made in the form of a monetary contribution. It cannot be offset through a works-in-kind agreement.

The transport project component forms part of the Housing and Productivity Contribution fund administered by Treasury.

## Pymont Peninsula transport project component

The Pymont Peninsula Special Infrastructure Contribution was made on 11 July 2022 to support funding of the Pymont Metro Station and will be transitioned into the Housing and Productivity Contribution as the first transport project component. This is largely an administrative shift, though there may be some minor changes to support consistency with how the Housing and Productivity Contribution works.

### **What area and types of development will be subject to the Pymont Peninsula transport project component?**

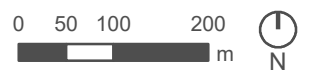
A Pymont Peninsula transport project component is required.

Schedule 4 to the order provides detail on the Pymont Peninsula transport project component and where it applies.







**Figure 3: Transport Project Component – Pyrmont Peninsula**



 Transport Project Component Area

 Cadastre © NSW Spatial Services

 Light rail station

 Open space

 Light rail



The transport project component may be required for future rezoned land in this former special infrastructure contributions area

**What will the Pymont Peninsula transport project component rates be?**

The Pymont Peninsula transport project component rates are shown in Table 3 below (see Schedule 4 of the order).

**Table 3:** Pymont Peninsula transport project component rates

Pymont Peninsula (Sydney Metro) land		
HPC class of development	TPC amount	Unit
Residential subdivision	\$15,000	new dwelling lot
Residential strata subdivision	\$15,000	new strata dwelling lot
Non-strata multi-dwelling development	\$15,000	new non-strata dwelling
Commercial development	\$200	square metre of new GFA

The rules about exemptions, indexing and contribution calculations will be the same as the Housing and Productivity Contribution base component. While this is like the Pymont Peninsula Special Infrastructure Contribution applied in 2022, a difference is that **co-living housing** will be categorised as ‘commercial development’ for the purposes of calculating the Pymont Peninsula transport project component amount.

To assist in phasing in the Pymont Peninsula contribution, the Special Infrastructure Contribution allowed for a discount of 25% if paid before 1 July 2024. This discount will continue and is different to the discount applied to the base component. The discount for this transport project component will be applied at the time of payment and will be managed within the NSW Planning Portal.



# Implementation matters

## Will local contribution plans still apply?

Yes, there is no change to the way councils levy local contributions.

## Transitioning existing Special Infrastructure Contributions

A Special Infrastructure Contribution (SIC) has been implemented in the following areas:

- Bayside West
- Gosford City Centre
- Frenchs Forest
- Illawarra-Shoalhaven
- Pyrmont Peninsula Metro
- St Leonards Crows Nest
- Warnervale Town Centre
- Western Sydney Aerotropolis
- Western Sydney Growth Areas
- Wyong employment zone

A draft SIC was prepared and exhibited for the following areas, but not finalised:

- Greater Macarthur
- Hunter Region
- North West Growth Area
- Rhodes
- Wilton

The implemented SICs will be transitioned as set below:

### Transition on 1 October 2023

- Bayside West
- Frenchs Forest
- Gosford City Centre
- Illawarra – Shoalhaven
- Pyrmont Peninsula
- St Leonards and Crows Nest
- Warnervale Town Centre
- Wyong Employment Centre

### Transition by 1 July 2026

- Western Sydney Aerotropolis
- Western Sydney Growth Areas

## Phasing-in the contribution

The Housing and Productivity Contribution base component and CPCP strategic biodiversity component will be discounted in the first two years. The following discounts apply at the time payments are made.

Year	Discount rate
Initial period (1 October 2023 - June 2024)	50%
Second year (July 2024 - June 2025)	25%
Third year onwards (July 2025 +) <i>*full contribution applies</i>	0%

The Pyrmont Peninsula transport project component will receive a 25% discount for payments made by 30 June 2024.



## Works-in-kind Agreements

As is currently the case, a contribution can be made either as a monetary contribution or under a works-in-kind agreement.

A works-in-kind agreement is a legal agreement that allows developers to dedicate land for infrastructure or build required infrastructure rather than make a monetary contribution. The agreed value of the works or dedication of land can offset or reduce the required monetary contribution. These arrangements are at the discretion of the Minister.

The department is preparing a decision-making framework for works-in-kind agreements for the Housing and Productivity Contribution. This framework is expected to clearly explain when works-in-kind agreements can be used, the process for entering into an agreement and how the system will be operated, including the management of credits. This work will be done in partnership with NSW Treasury as the manager of the Housing and Productivity Fund.

In preparing the framework, the Department will engage with industry stakeholders, key state agencies and growth area councils to assist in shaping the approach. This will occur later in 2023 ahead of framework implementation in early 2024.

Existing works-in-kind agreements under the SIC system will remain operational (see Schedule 5 to the order). Most of these agreements relate to the Western Sydney Growth Areas and Western Sydney Aerotropolis special infrastructure contributions schemes. These two schemes will be transitioned to the new system by 1 July 2026. The ongoing management of the existing agreements and associated credits will be considered in those transitional arrangements.

## State Planning Agreements

A planning agreement is a legal agreement between a developer and a planning authority, such as a local council or the Minister.

State planning agreements secure infrastructure contributions to help cover the cost of infrastructure needed to support housing, jobs and connected communities.

The NSW Government will consider the need for new planning agreements if a developer proposes a substantial greenfield or infill rezoning that will:

- benefit the region or support broader NSW Government objectives
- result in significant demand for infrastructure that the NSW Government has not yet planned for or prioritised.

Planning agreements executed before the introduction of the Housing and Productivity Contribution will remain and continue to operate. If a planning agreement excludes the application of a SIC, then it will also exclude a Housing and Productivity Contribution.

State planning agreements have commonly been used in local environmental plans that require satisfactory arrangements for the provision of State infrastructure or the concurrence of the Planning Secretary pending the introduction of a SIC. The Housing and Productivity Contribution will enable the removal of approximately 50 satisfactory arrangements and concurrence rules within the Greater Sydney, Illawarra-Shoalhaven, Central Coast and Lower Hunter areas, creating significant time and cost savings. Outside of these areas, the satisfactory arrangements and concurrence clauses will be retained.

## Digitised calculation and payments

To streamline implementation of the contribution and assist applicants and consent authorities, the department is developing additional functionalities in the NSW Planning Portal.

From 1 October 2023, the NSW Planning Portal will automatically identify whether the Housing and Productivity Contribution applies to an application and will notify the applicant that a contribution may be payable and further information is required.

This additional information will be in a 'contributions case' linked to the original application and can be amended if changes to the proposed development occur during assessment by the consent authority. Once assessment of the application has been completed the system will automatically calculate the Housing and Productivity Contribution, which becomes a condition of the development consent if it is granted.

When it comes time to pay, the applicant will pay the Housing and Productivity Contribution through the NSW Planning Portal. The amount paid will be automatically updated to reflect any indexation or discounts that may apply. Applicants who have other arrangements, such as State planning agreements, will need to request to close-off or update the outstanding monetary contribution amounts. The release of the post-consent certificates will be restricted if payment has not been made.

User training of the digital system will be provided to all stakeholders ahead of implementation on 1 October 2023.

# Governance

## Governance framework overview

The implementation of the Housing and Productivity Contribution requires a robust and transparent governance framework that takes a whole-of-government approach to infrastructure investment and provision. The new framework will enable better and more transparent decision-making, giving greater confidence to communities and the development industry.

## Infrastructure Opportunities Plan

The Housing Productivity Contributions Infrastructure Opportunities Plan is a key component of the NSW Government's commitment to a transparent and efficient infrastructure contributions system that ensures that NSW has the right infrastructure to support the delivery of more homes for growing communities.

The Infrastructure Opportunities Plan will set 0–20-year growth expectations and infrastructure opportunities that will be eligible for contributions in the Greater Sydney, Illawarra-Shoalhaven, Lower Hunter and Central Coast regions.

The plan is being developed with state agencies, councils and industry. It draws on key strategic planning material to outline the infrastructure that is required to effectively support growth in housing and productivity.

Projects eligible for funding consideration include regional and state infrastructure projects that facilitate housing and productivity growth and achieve a line of sight to strategic growth objectives.

More detail around the Infrastructure Opportunities Plan will be published in late 2023, after the commencement of the Housing and Productivity Contribution in October.

## Housing and Productivity Fund

The NSW Government considers proposed capital and recurrent expenditures through the annual budget. The Cabinet Expenditure Review Committee will consider and approve Housing and Productivity Contribution funded projects through the budget process.

The Housing and Productivity Fund will be administered by NSW Treasury in consultation with the Planning Minister. This ensures that the distribution of the funds is more aligned to the budget cycle, and funds can be used to leverage the budget more broadly towards areas requiring assistance with growth.

The strategic biodiversity component will be paid into a new account administered by the Department of Planning and Environment.

## Funding for councils

Councils play a vital role in delivering infrastructure for their local communities such as local roads, drainage and local open space. There is no change to how councils collect their local contributions under the Housing and Productivity Contribution.

Some of the infrastructure councils provide function at a district or regional scale and may not be fully funded through their local contribution plans. In recognition of this, the NSW Government has committed up to \$1 billion over 10 years from the Housing and Productivity Contributions, which will be made available to councils to support funding of infrastructure aligned with the purpose of the Housing and Productivity Contribution.

This program will operate like a grants program so that councils can bring forward nominations each year. Nominations for funding are called for more frequently to respond to the nature of these projects.

The department is preparing further information on the Housing and Productivity Contribution local government grant funding as well as the administration and application details. This will be available in late 2023, ready for funding requests in 2024–2025.

## Deciding infrastructure priorities for funding

The allocation of Housing and Productivity Contribution funding requires strong governance and oversight which will balance competing stakeholder demands and ensure a transparent decision-making process for funding allocation.

Decisions on the allocation of money will be made as part of the NSW Government budget process, which will be informed by a series of governance groups involving stakeholders.



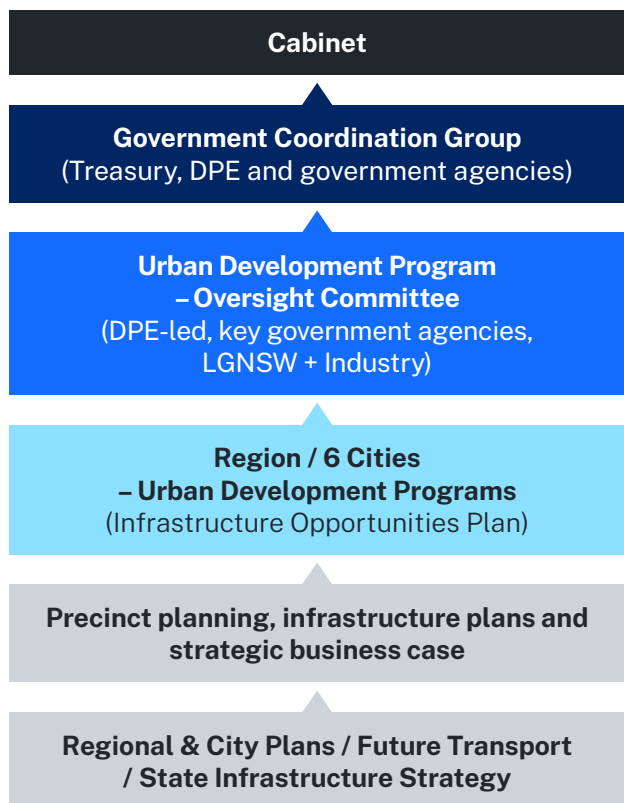
The Urban Development Program (UDP), a collection of non-statutory governing bodies which monitor and forecast housing and jobs growth, will provide an evidence base behind the infrastructure priorities and help to achieve more coordinated planning and infrastructure investment outcomes.

The recommendations of each of the UDPs will feed into an Urban Development Program Oversight Committee. From there, a Government Coordination Group will review the infrastructure priority recommendations from the Urban Development Program Oversight Committee to refine a list of priority infrastructure projects to inform government funding allocation decisions.

Recommendations will factor in timeframes of 0-1 years, 2-5 years, and 6+ years to achieve a line of sight to strategic growth objectives.

Once recommendations are received from each UDP, they will be considered by the UDP Oversight Committee, which then establishes a shorter infrastructure list and priorities for expenditure via the Housing and Productivity Fund.

### Proposed Governance Arrangements



**Table 4:** Housing and Productivity Contribution governance arrangements

<b>Government Coordination Group</b>
<b>Role and responsibilities</b>
The Committee informs, reviews and endorses the final Infrastructure Opportunities Plan for Cabinet consideration
<b>Membership</b>
NSW Treasury alongside senior officers from Infrastructure NSW and the Department of Planning and Environment
<b>Urban Development Program Oversight Committee</b>
<b>Role and responsibilities</b>
The Committee will refine the infrastructure opportunities plan and prioritise investment decisions that balance the needs of the regions based on advice received from the UDPs
<b>Membership</b>
<ul style="list-style-type: none"> <li>• Transport for NSW</li> <li>• DPE/Plan NSW (Greater Cities Commission)</li> <li>• Infrastructure NSW</li> <li>• School Infrastructure NSW</li> <li>• NSW Health</li> <li>• LGNSW representative</li> <li>• Development industry representative</li> </ul>
<b>Urban Development Programs</b> (Lower Hunter, Central Coast, Western Parkland, Central River, Eastern Harbour and Illawarra-Shoalhaven)
<b>Role and responsibilities</b>
Led and supported by DPE, UDPs for each of the Six Cities Regions support and inform the development of the infrastructure opportunities plan and understand the recommended priority investment decisions for their region
<b>Membership</b>
<ul style="list-style-type: none"> <li>• Local Government NSW</li> <li>• relevant councils</li> <li>• Plan NSW (Greater Cities Commission)</li> <li>• Regional organisations of councils</li> <li>• an industry representative for infill developers, and one for greenfield developers</li> </ul>

# Appendix – Examples

## Calculating the Housing and Productivity Contribution amount

### Development for the purpose of residential subdivision

**Calculation:** The number of dwelling lots that results from the development consent, *subtracted* by any excluded lots and any existing potential dwelling lots *multiplied* by the respective Housing and Productivity Contribution rate.



#### **Example A:** Dual occupancy subdivision, Greater Sydney

A developer applies to build a dual occupancy on a single existing lot and to subdivide that lot into two new lots with one dwelling on each for separate sale.

A \$12,000 contribution for the one additional lot will be required and will need to be paid prior to construction certificate.

As the new dwelling sits on a fully subdivided lot, the residential lot rate applies

#### **Example B:** 3 into 30 lot greenfield subdivision, Greater Sydney

A developer applies to subdivide a 5 hectare parcel of land that comprises 3 individual lots into 30 lots each capable of containing a dwelling.

A \$324,000 contribution for 27 additional lots will be required and will need to be paid prior to subdivision certificate.



## Development for the purpose of residential strata subdivision

**Calculation:** The number of strata dwelling lots that results from the development consent, *subtracted* by any excluded lots and any existing lots *multiplied* by the respective Housing and Productivity Contribution rate.



### Example C: 1 into 30 lot strata subdivision, Greater Sydney

A developer applies to build a residential flat building on a single existing lot and to subdivide the building into 30 new strata lots with one dwelling in each.

A \$290,000 contribution for the 29 additional lots will be required and will need to be paid prior to construction certificate. No charge is payable for common property or non-dwelling lots such as car spaces.

### Example D: 5 into 30 lot strata subdivision, Greater Sydney

A developer applies to build on 5 existing lots and to subdivide the building into 30 new strata lots with one dwelling in each.

A \$250,000 contribution for 25 additional strata lots will be required and will need to be paid prior to construction certificate.

### Example E: 1 into 30 strata subdivision with 5 affordable housing dwellings, Greater Sydney

A developer applies to build a residential flat building on a single existing lot and to subdivide the building into 30 new strata lots with one dwelling in each. Five of the dwellings are for affordable housing.

A contribution of \$240,000 for the 24 additional lots will need to be paid prior to construction certificate. No charge is payable for common property or non-dwelling lots such as car spaces.

## Development for the purposes of build to rent housing, independent living units or manufactured home estates

Build to rent housing, independent living units and manufactured home estates are typically higher density residential developments that comprise dwellings or dwelling sites and are not always subdivided for individual sale. The infrastructure demands generated by this type of development warrants their inclusion as a type of residential accommodation that is required to pay a contribution towards state infrastructure and the lower charge rate applies.

**Calculation:** The amount that is payable for build to rent housing, independent living units or manufactured homes estate dwellings is the number of non-strata dwellings or dwelling sites that results from the development consent, *subtracted by* any excluded dwellings or dwelling sites and any existing dwellings or dwelling sites that are being retained, *multiplied by* the Housing and Productivity Contribution rate.



**Example F:** 100 dwellings of a specified development type with 30 dwellings to be used for affordable housing, Greater Sydney

A developer applies to build 100 dwellings of a specified development (100 build to rent dwellings or 100 independent living units or a manufactured home estate with 100 dwelling sites) and for 30 of those dwellings to be affordable housing.

A \$ 700,000 contribution for 70 additional dwellings will be required and will need to be paid prior to construction certificate or if no such certificate is required, prior to installation of the first manufactured home. No charge is payable for the affordable housing component which is exempt from a contribution. No further contribution is payable if the development is subdivided.

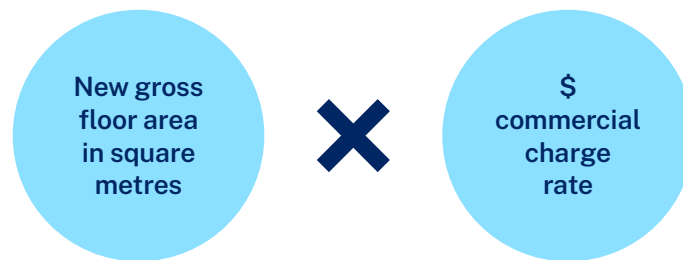


## Commercial development

Commercial development means development for the purposes of business premises, office premises and retail premises and development for any of the specific purposes listed in the Order.

Common areas in mixed use buildings are charged the commercial rate. If a building is, or may be, used for residential accommodation as well as being in part a commercial building, the gross floor area of any common area is to be included in the gross floor area of the commercial building.

**Calculation:** The amount that is payable for any commercial development is the new gross floor area in square metres, of the commercial development, *multiplied by* the Housing and Productivity Contribution commercial rate.



### **Example G:** Construction of a new 3,000sqm commercial building in the Lower Hunter region

A developer applies to build a new commercial building on a site in Lower Hunter.

The contribution is calculated by multiplying the 3,000sqm of new gross floor area by the charge rate for commercial development. A contribution of \$90,000 will need to be paid prior to construction certificate.

### **Example H:** Expansion of an existing commercial building to add an additional 100sqm of commercial floor space in the Lower Hunter region

A developer applies to expand an existing commercial building by 100sqm of new commercial floor space.

The contribution is calculated by multiplying the 100sqm of new gross floor area by the charge rate for commercial development. A contribution of \$3,000 will need to be paid prior to construction certificate.

### **Example I:** Change of use from an existing industrial building to commercial in the Lower Hunter region

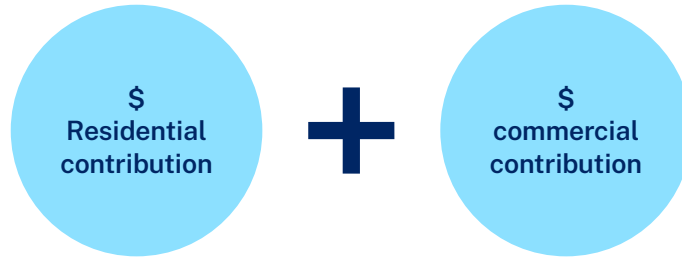
A developer applies to change the use of an existing 10,000sqm industrial building to commercial floor space.

The contribution is calculated by multiplying the 10,000sqm of floor space that will now be commercial by the charge rate for commercial development. A contribution of \$300,000 will need to be paid prior to construction certificate.

## Mixed use development

Mixed use development is calculated by adding the sum of each separate Housing and Productivity Contribution class of development (ie residential, commercial or industrial development).

**Calculation:** The amount that is payable for any mixed use development is the sum of each Housing and Productivity Contribution class of development.



### **Example J:** 1 lot into 60,000sqm of commercial floor space and 20 strata dwelling units

A developer applies to demolish an existing house and construct a six-story mixed use development comprising of 60,000sqm of commercial floor space and 10 strata dwelling units above.

The contribution is the sum of each separate Housing and Productivity Contribution class of development

The commercial contribution is calculated by multiplying the 6,000 sqm of new gross floor area by the charge rate for commercial development (\$1,800,000). The residential contribution is the 19 additional lots multiplied by the strata dwelling lot rate (\$190,000). Any communal floor space in this building is charged at the commercial rate.

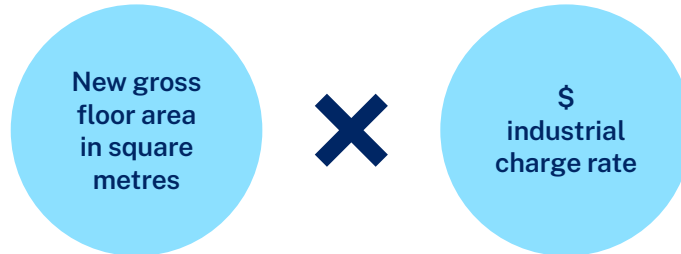
A contribution of \$1,990,000 will need to be paid prior to construction certificate.



## Industrial development

Industrial development means development for the purposes of general industry, heavy industry or light industry and development for any of the specific purposes listed in the MPO.

**Calculation:** The amount that is payable for any industrial development is the new gross floor area in square metres, of the industrial development, *multiplied by* the Housing and Productivity Contribution industrial rate.



### **Example K:** Construction of a 105,000sqm industrial building in the Central Coast region

A developer applies to build a new industrial building on a site in the Lower Hunter.

The contribution is calculated by multiplying the 105,000 sqm of new gross floor area by the charge rate for industrial development. A contribution of \$1,575,000 will need to be paid prior to construction certificate.

### **Example L:** Expansion of an existing industrial building by an additional 2,500sqm industrial floor space in the Central Coast region

A developer applies to expand an existing industrial building by an additional 2,500 sqm of industrial floor space on a site in the Lower Hunter.

The contribution is calculated by multiplying the new 2,500 sqm of gross floor area by the charge rate for industrial development. A contribution of \$37,500 will need to be paid prior to construction certificate.

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# Planning and Environment

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