

Draft Hunter Region Special Infrastructure Contribution: Proposed approach

December 2017

How is the NSW Government supporting the Hunter?

The *Hunter Regional Plan 2036* recognises the Hunter as the State's leading regional economy. It also acknowledges that infrastructure investment across the region will help to create new jobs, housing, and deliver new schools, roads, and transport, health and emergency services.

The NSW Government is making significant infrastructure investment in the Hunter, including infrastructure to support development activity such as new land releases, subdivisions and industrial facilities.

The draft Hunter Region Special Infrastructure Contribution is proposed to provide a contribution of up to \$330 million over 20 years towards the total cost of infrastructure required to support growth. The State Government will continue to provide most of this funding.

What is a special infrastructure contribution?

A special infrastructure contribution (SIC) is a contribution to assist the delivery of infrastructure required to support growing communities.

It is a way to equitably distribute and share the cost of new infrastructure costs arising from development activity. Contributions are collected from new development, through the development approval process, in areas defined as special contribution areas.

The Department of Planning and Environment is currently preparing special infrastructure contributions for high growth regional areas including the Hunter, Illawarra-Shoalhaven and the Central Coast.

What does the Hunter Region SIC pay for?

Special infrastructure contributions help fund some of the key pieces of State and regional infrastructure needed to support a growing population that results from new greenfield development located in the contribution area.

Infrastructure funded through the proposed Hunter Region SIC includes:

- State and regional roads
- schools
- health facilities
- emergency services.

Who pays the special infrastructure contribution?

Payment of a special infrastructure contribution is required for development that subdivides land to increase the number of residential lots or develops new residential dwellings and/or industrial sites in greenfield areas across the Hunter region.

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Where does the proposed Hunter Region SIC apply?

The proposed Hunter Region SIC applies to the entire Hunter region. This includes the local government areas of:

- Cessnock
- Dungog
- Lake Macquarie
- Maitland
- Mid-coast
- Muswellbrook
- Newcastle
- Port Stephens
- Singleton
- Upper Hunter

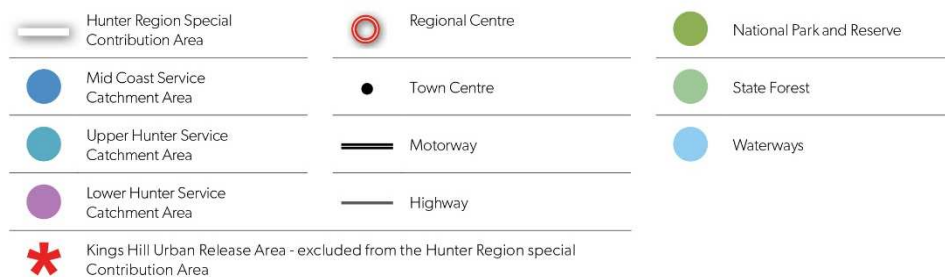
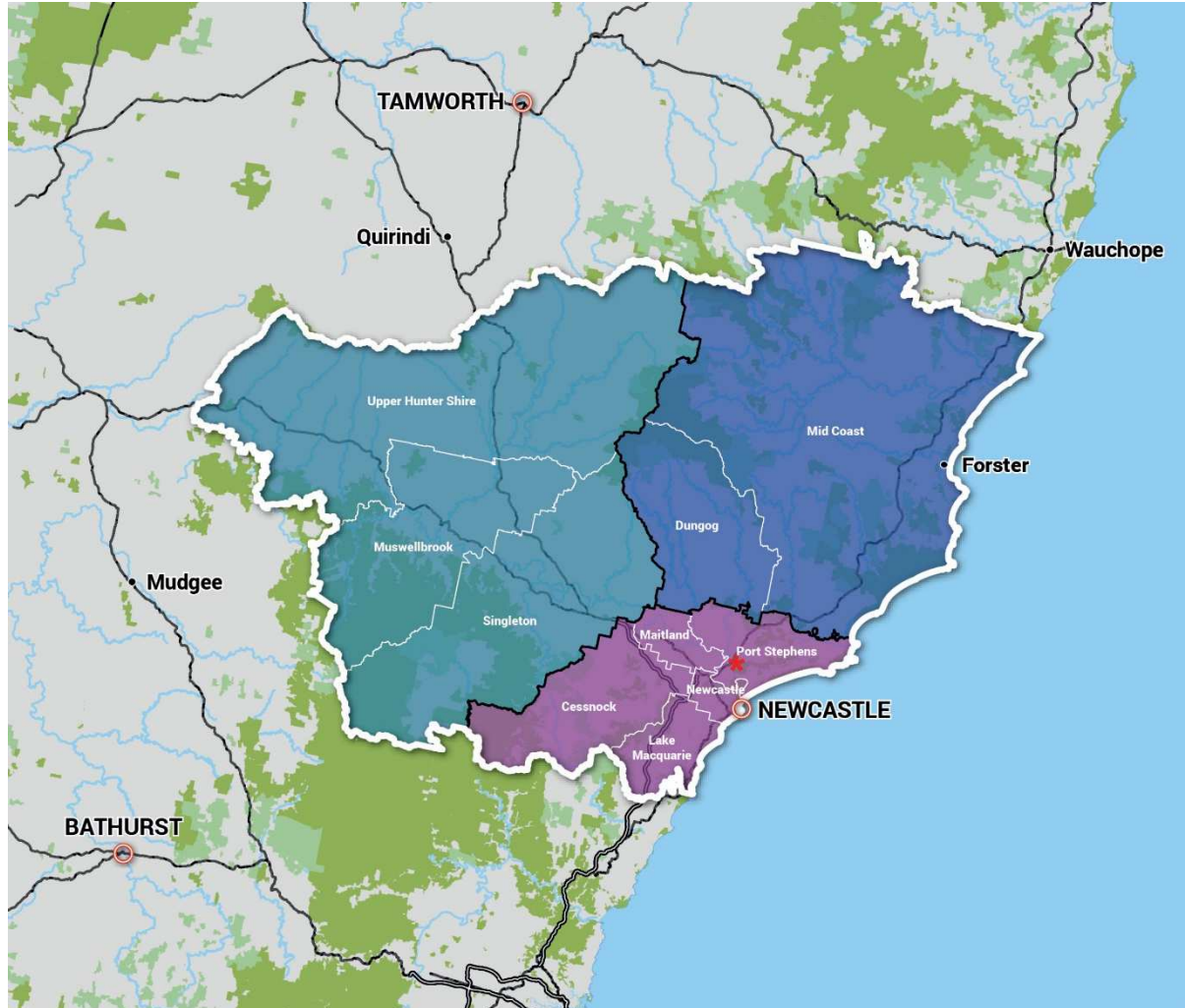
There are three service catchment areas proposed across the Hunter Region: Lower Hunter, Upper Hunter and Mid-Coast.

These service catchment areas are consistent with subregions identified in the *Hunter Regional Plan 2036*.

Distinct service catchments have different contribution rates to reflect the varying levels of new infrastructure and development in various parts of the region.

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Proposed service catchment areas across the Hunter Region

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What does the proposed residential special infrastructure contribution rate apply to?

The proposed Hunter Region SIC applies to new greenfield residential and industrial development in areas that have recently been, or are identified to be, rezoned from a non-urban use, such as rural land, to an urban use, such as residential and industrial.

What is the proposed residential special infrastructure contribution rate?

The draft Hunter Region SIC applies different contribution rates for residential development across the three service catchment areas of Lower Hunter, Upper Hunter and Mid-Coast. The contribution covers only part of the cost of infrastructure required for residential development in greenfield areas. The proposed residential contribution rate for the Lower Hunter is \$10,664 per lot or dwelling, and for the Mid-Coast and Upper Hunter is \$658 per lot or dwelling.

The proposed residential contribution rate for the Lower Hunter service catchment area reflects the higher level of growth occurring in this area and the infrastructure requirements to service this growth.

What will happen to the existing system of making contributions via voluntary planning agreements?

One of the key benefits of the draft Hunter Region SIC is that it will significantly reduce the need for voluntary planning agreements. This process for negotiating a voluntary planning agreement at present can sometimes take months – a SIC will take a few days to assess and calculate the contribution to be made.

What happens to current voluntary planning agreements?

Current voluntary planning agreements that make provision for State and regional infrastructure already entered into by the Minister for Planning - before the proposed Hunter Region Special Infrastructure Contribution comes into effect - will continue to apply. No special infrastructure contribution will be needed for proposed development if an existing voluntary planning agreement is already in place for the proposed development.

What are the benefits of a special infrastructure contribution?

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

- offering transparency about the collection and distribution of funds for required infrastructure
- streamlining the planning process by removing the reliance on voluntary planning agreements to provide for State and regional infrastructure
- supporting timely delivery of infrastructure in line with community expectations and rate of growth
- enabling industry to contribute funding towards infrastructure that supports development of new communities.

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How is a special infrastructure contribution different to local contribution collected by Councils?

Local contributions are collected by local councils through Section 94 and 94A contribution plans. These plans, developed by local councils, help fund infrastructure within their local government area.

Infrastructure in a local contributions plan differs to that in a special infrastructure contribution list.

Special infrastructure contributions fund state and regional infrastructure and can only be determined by the Minister for Planning.

Will the community have the opportunity to have their say?

The proposed Hunter Region SIC is now on exhibition on the Department of Planning and Environment's website. It includes information on:

- the special infrastructure contribution rate
- the infrastructure schedule
- developments for which contributions are required.

During the exhibition period, the Department of Planning and Environment will consult with the community, local government, business and industry.

For more information and to make a submission, visit the department's website:

www.planning.nsw.gov.au/huntersic.

All submissions received will be made available on the website. Contributions will be considered in the preparation of the draft and final Hunter Region Special Infrastructure Contribution Determination.