

Special Infrastructure Contributions (SIC)

developer funding to help timely infrastructure delivery

Frequently Asked Questions for Rhodes East

December 2017

Introduction

The Department of Planning and Environment is working towards creating well-connected, well-serviced communities to accommodate Sydney's growing population. The Special Infrastructure Contribution (SIC) framework is one of many initiatives in place to help ensure the demands of the growing population are met in a timely manner.

The proposed SIC framework will extend Special Contribution Areas (SCAs) to all Planned Precincts and Growth Areas across Sydney identified by the Department of Planning and Environment.

What is a Special Infrastructure Contribution (SIC)?

A Special Infrastructure Contribution is a levy paid by developers to share the cost of delivering the infrastructure required to support growing communities. The SIC funds infrastructure such as schools, State and regional roads, regional open space, emergency and health facilities, and some public transport infrastructure.

Contributions are collected for new developments within a defined boundary called the Special Contributions Area (SCA). SICs are currently being prepared and proposed for all Planned Precincts and Growth Areas across Sydney.

The SIC is based on the Precinct Plan for the contribution area. The infrastructure schedule identifies the key pieces of infrastructure that can be delivered by SIC funding, and the levy is the per-dwelling or per-lot portion of the total infrastructure cost that must be paid by developers.

The Department will also consider development feasibility in setting a SIC charge so that the SIC will not impact housing supply.

What is the SIC for Rhodes East?

The SIC levy for Rhodes East has been assessed at \$21,943 per additional dwelling or lot. This amount paid by developers will contribute to the cost of delivering infrastructure to support new homes in Rhodes East, estimated to be \$74.8 million, including:

- Roads, intersections, bridges (\$18.3 million)
- Land and works for schools (\$20.9 million)
- Regional cycling and pedestrian facilities (\$25.4 million)
- Open space and conservation (\$9.1 million); and
- Planning and delivery costs (\$1.1 million).

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Why do we need to have a SIC for Rhodes East?

The rezoning of land, particularly to higher density residential, means a significant increase in the demand for new and upgraded infrastructure in Rhodes East. A coordinated approach is essential for funding the delivery of new and upgraded infrastructure in line with population growth.

The SIC will ensure infrastructure such as a new school, open space, road and intersection upgrades and bridges, bus stops and regional cycling and pedestrian links will be coordinated and delivered at the same pace as new homes and jobs, to support the growing community's needs.

Who is required to pay the Rhodes East SIC?

Anyone who is developing and delivering new residential dwellings within the Rhodes East precinct will pay a Special Infrastructure Contribution to the state government. Tenants and small businesses will not be affected by the SIC.

Exemptions are proposed for development of public housing, seniors housing or affordable housing carried out by or on behalf of a social housing provider. The contribution does not apply to employment or commercial land, except for development in mixed-use zones where residential accommodation is provided.

How is a SIC paid?

The SIC levy is paid by developers to the state government during the development application (DA) process. Alternatively, developers may seek approval from the Minister for Planning to dedicate land for required infrastructure or build a piece of required infrastructure, instead of making a financial contribution. The delivery of infrastructure instead of a levy payment is known as a Works-in-Kind agreement.

Will the SIC cover the cost of all the proposed new and upgraded infrastructure in the draft Precinct Plan for Rhodes East?

No. The Rhodes East SIC will cover the cost of all items in the Infrastructure Schedule, and local council levies will fund the remaining local projects, as shown in the table below:

Project	Funded by
Education contributions for new student places	SIC
Blaxland Road and cycle path upgrades	SIC

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Concord Road upgrade and improvements	SIC
Local street upgrades and new streets	Council contribution plan
New railway overpass	SIC
New pedestrian and cyclist land bridge construction	SIC
Land bridge landscape treatment	SIC
Leeds Street foreshore and plaza	SIC
Mixed-use corner plazas and existing reserve upgrades	Council contribution plan
Community centre facilities	Council contribution plan

Other state infrastructure identified in the draft Precinct Plan for Rhodes East and not funded by the SIC will be the responsibility of the relevant agency to fund and deliver. The Department will work with all agencies to ensure that this infrastructure is delivered in a timely manner.

What are the benefits of the SIC framework?

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

- Provides certainty to the community that the infrastructure identified in the Precinct Plan will be funded and delivered;
- Offers transparency about the collection and distribution of funds for required infrastructure;
- Streamlines the planning process;
- 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; and
- Enables developers to contribute funding towards infrastructure that provides a direct benefit to the community and adds value to the development.

How is a SIC different to section 94 and section 94A contributions?

Special Infrastructure Contributions fund state and regional infrastructure which means a SIC may only be determined by the Minister for Planning.

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Section 94 and 94A contributions plans are made by local government authorities to assist them with funding local infrastructure items within a local government area. This funding allows the delivery of local facilities and services such as local roads, local open space and community facilities such as libraries. These services are typically the responsibility of local government.

Infrastructure contained in a local contributions plan will be different to that contained in a SIC infrastructure list.

Will the community have the chance to have their say on the draft Rhodes East SIC?

The draft SIC for Rhodes East is currently on exhibition and submissions are open until **7 March 2018**. All draft documents are on exhibition on the Department of Planning website, including information on:

- The SIC levy amount (\$21,943);
- The method used to calculate the levy amount;
- The infrastructure schedule;
- Timing and method of payment; and
- The developments for which contributions are required.

Feedback and submissions collected during the three month exhibition period will be considered and reported to the Minister for Planning before the SIC Determination is made.

The draft determination can be found on the Department website:

<http://www.planning.nsw.gov.au/rhodeseastsic>

How is the SIC determined?

The Ministerial Determination is the legal document that allows a Special Infrastructure Contribution to be levied on development within a contribution area under *The Environmental Planning and Assessment Act 1979*. An individual Determination must be made for each area where a SIC is proposed, signed by the Minister for Planning and published in the Government Gazette before it can be applied.

Once the determination is made the Minister will issue a direction to local councils to impose the contribution as a condition of consent on all resident development applications.

For more information:

- Phone 1300 305 695 and ask for the Department's Program Delivery team.

The draft Determination and a brochure for the proposed Rhodes East SIC can be found on the Department of Planning and Environment website:

<http://www.planning.nsw.gov.au/rhodeseastsic>

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If English isn't your first language:

Please call 131 450 and ask for an interpreter in your language, then ask for your call to be connected to 1300 305 695.