



Proposed Special Infrastructure Contribution

St Leonards and Crows Nest

October 2018

2018





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Department of Planning and Environment

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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 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 before existing infrastructure can no longer keep up.



Proposed Special Infrastructure Contribution for St Leonards and Crows Nest

To ensure a coordinated approach to planning in St Leonards and Crows Nest, while protecting the things that make it a special place to live, the Department has been consulting with the community, Lane Cove, North Sydney and Willoughby councils and other stakeholders to create a draft planning package. The package proposes a vision for the future of the precinct and a plan to deliver that vision.

A Special Infrastructure Contribution (SIC) is proposed for St Leonards and Crows Nest to provide over \$113.6 million in funding for key infrastructure to support the plan, including:

- + Open space
- + Education
- + Pedestrian and cycling improvements
- + Roads
- + Planning and delivery

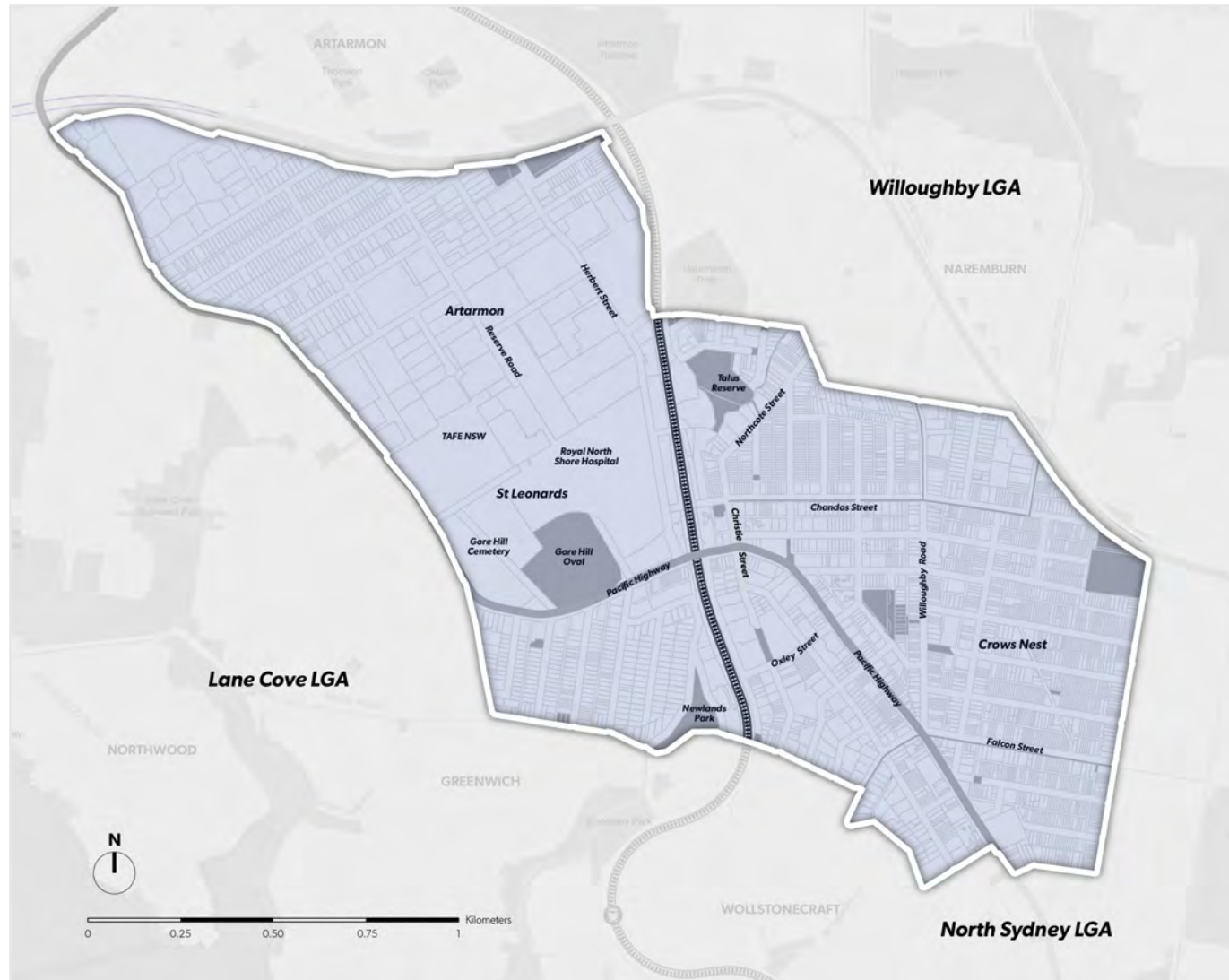
What are the benefits of the SIC framework?

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

- provides certainty to the community that the infrastructure identified through the strategic planning process 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 Special Contribution Area (SCA) for the St Leonards and Crows Nest SIC is shaded in purple on the map. The proposed contribution rate is \$15,100 per additional dwelling inside the boundary.



The SIC rate has 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.

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 Lane Cove, North Sydney and Willoughby 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 who is sub-dividing land or developing and delivering residential dwellings within the SCA will pay a Special Infrastructure Contribution to the state government.

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 St Leonards and Crows Nest?

Special Infrastructure Contributions paid by developers will contribute to the cost of delivering infrastructure to support new homes across St Leonards and Crows Nest, estimated at around \$113.6 million, including:

- + Open space - \$57.6 million
- + Regional pedestrian and cycling facilities - \$27.6 million
- + Education - \$22 million
- + Roads, intersections and bridges - \$4.7 million
- + Planning and delivery - \$1.7 million

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.

Funding for open space

The draft planning package for St Leonards and Crows Nest has been guided by input from the community. Consultation to date has highlighted the importance of open space to people who live in, work in and visit the area.

To contribute to the delivery of new and upgraded open space, \$58 million of SIC funding is proposed for:

- + Expanding Hume Street Park to create a village green
- + Creating a North-South open space connection, providing walking and cycling links to regional open space and the Harbour Foreshore.

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 St Leonards and Crows Nest is in place?

Before the proposed SIC for St Leonards and Crows Nest is in place, planning proposals will require satisfactory arrangement 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.



SIC and St Leonards and Crows Nest 2036

Our vision for St Leonards and Crows Nest for the next 20 years is a precinct that retains local character while supporting growth, with more open space and trees, that improves how you move in the precinct - by foot, bike or rail and delivers infrastructure in time with demand.

We have engaged with the local community, North Sydney, Lane Cove and Willoughby Councils, to shape a draft:

Local Character Statement that identifies the unique character of St Leonards and Crows Nest, reflecting the views and values of those who live and work in the Precinct.

Green Plan that sets out a vision for improving open space in the Precinct and increasing tree canopy cover.

St Leonards Crows Nest 2036 (draft plan) that guides future development and infrastructure delivery over the next 20 years.

Special Infrastructure Contribution to fund new infrastructure.

The vision set out in the Local Character Statement and Green plan shape the way we plan for change in the precinct:

VISION

Local character statement

Green Plan

STRATEGY & IMPLEMENTATION

2036 Plan

Special infrastructure contribution (SIC)



Progressing the Plan for St Leonards and Crows Nest

Community and stakeholder consultation is key to progressing the plan for St Leonards and Crows Nest. Feedback collected during the exhibition period will be used to revise the draft package.

The proposed SIC for St Leonards and Crows Nest will be updated to reflect changes to the Draft Plan, Green Plan and Local Character Statement following consultation.



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 levy 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

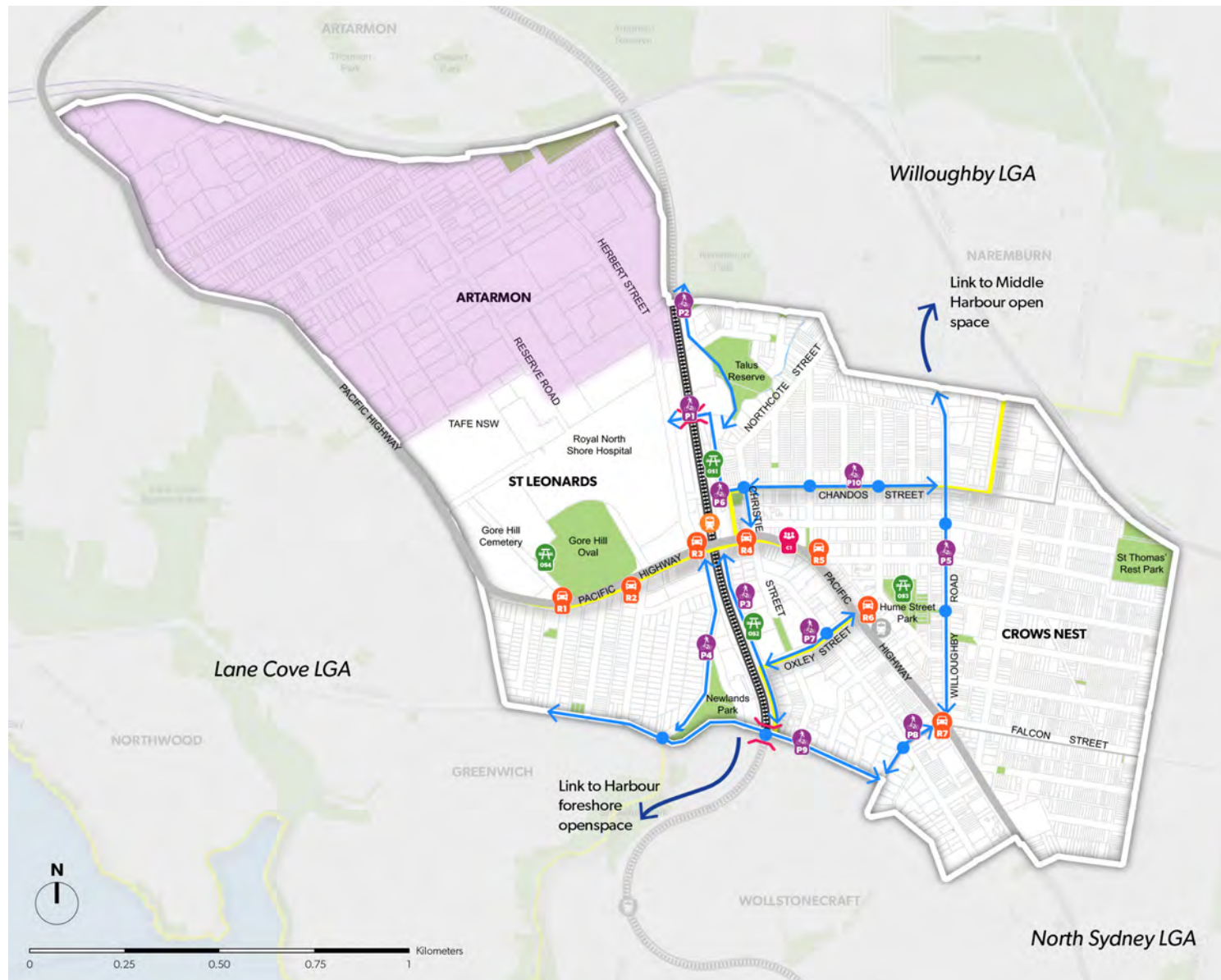
Infrastructure schedule

The Department will work with other state government agencies and Lane Cove, North Sydney and Willoughby Councils to determine the timing of project delivery, considering current and forecast development rates and infrastructure capacity. Other state infrastructure identified in the draft plans for St Leonards and Crows Nest and not funded by the SIC will be the responsibility of the relevant agency to fund and deliver.

Project	Cost estimate
Roads	\$4,736,000
R1 Signalised pedestrian crossing: Pacific Highway at Portview Road	\$858,000
R2 Signalised pedestrian improvement: Pacific Highway at Reserve Road	\$343,000
R3 Signalised pedestrian improvement: Pacific Highway at Herbert Street	\$433,000
R4 Signalised pedestrian improvement: Pacific highway at Christie Street	\$1,557,000
R5 Signalised pedestrian improvements: Albany Street at Pacific Highway	\$172,000
R6 Signalised intersection improvement: Pacific highway at Oxley Street	\$515,000
R7 Signalised intersection improvement: Pacific Highway, Falcon Street and Willoughby Road	\$858,000
Education	\$21,984,000
E1 Primary School (funding towards additional school places generated by the new population)	\$16,471,000
E2 Secondary School (funding towards additional school places generated by the new population)	\$5,513,000
Open Space	\$57,659,000
OS1 North linear park: Herbert Street bridge to Chandos Street (land acquisition only)	\$28,058,000
OS2 South linear park: Lithgow Street	\$1,701,000
OS3 Hume Street park expansion	\$25,900,000
OS4 Gore Hill regional playground	\$2,000,000

Project	Cost estimate
Pedestrian & Cycle Improvements	\$27,570,000
P1 Pedestrian and cycle link: Herbert Street to Chandos Street	\$12,514,000
P2 Cycle connection: Talus reserve to Naremburn Park	\$1,952,000
P3 Pedestrian and cycle connection: Pacific Highway to River Road via south linear park	\$1,308,000
P4 Pedestrian and cycle connection: Canberra Avenue	\$3,182,000
P5 Pedestrian and cycle improvements: Willoughby Road	\$668,000
P6 Pedestrian and cycle improvements: Sergeants Lane/Christie Street	\$191,000
P7 Cycle improvements: Oxley Street	\$1,185,000
P8 Cycle improvements: Shirley Road	\$309,000
P9 Cycle improvements: River Road	\$2,824,000
R10 Pedestrian and cycle improvements: Chandos Street	\$3,437,000
Planning & Delivery	\$1,679,000
Precinct Planning Costs	\$1,119,000
Precinct Delivery and SIC Review Costs	\$560,000
Other – Funded via Voluntary Planning Agreement	
C1 Community Arts Centre - Funded via Voluntary Planning Agreement	

Proposed infrastructure map



Legend

-  Pedestrian & cycle connection improvements
-  Pedestrian crossing improvements
-  Pedestrian crossing improvements for pedestrians / cyclists
-  Precinct Boundary
-  LGA Boundary
-  Artarmon Employment Area
-  Major Road
-  Local Roads
-  Railways
-  Waterways
-  Green Space
- Road Infrastructure
- Active Transport Infrastructure
- Open Space Infrastructure
- Community Arts Centre (funded via VPA)

Note: Location of Transport, Road and Open Space Infrastructure is indicative only, it is subject to further investigation and confirmation by respective agencies. The location of Education Infrastructure is not detailed on this map, although it is a SIC item and is subject to further investigation and confirmation by respective agencies.

Operation of the St Leonards and Crows Nest 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 that is for seniors housing; and
- + shop top housing.

Group homes, hostels, social housing or affordable housing carried out by or on behalf of a community 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.

Special Infrastructure Contribution Payable

4
dwellings



12
dwellings



Additional
dwellings subject
to SIC : 8

Number of previously
existing dwellings not
subject to SIC : 4

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, Lane Cove, North Sydney and Willoughby Councils, external consultants and industry representatives to ensure that the proposed SIC for St Leonards and Crows Nest 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 St Leonards and Crows Nest 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 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 periodically.

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 North Sydney, Lane Cove and Willoughby 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 St Leonards and Crows Nest SIC

You are welcome to provide feedback on the proposed Special Infrastructure Contribution for St Leonards and Crows Nest, including the rates, special contribution area and infrastructure schedule until 03 December 2018.

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

planning.nsw.gov.au/stleonardscrowsnestsic

Or write to:

Director, Planned Precinct Infrastructure Delivery

Department of Planning and Environment

GPO Box 39

Sydney NSW 2001

To stay up-to-date with the St Leonards and Crows Nest SIC, register for updates through the Department's website.

More information



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