

Infrastructure Contributions for Macquarie Park Innovation Precinct

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.

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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.

The proposed Stage 1 Rezoning of the Macquarie Park Innovation Precinct (MPIP) seeks to deliver upon the vision and actions set out in the MPIP Place Strategy to deliver diversification of the precinct through the introduction of residential development as well as improving the pedestrian amenity, reinforce the area as an innovative precinct and economic powerhouse in Sydney. The MPIP will enhance connectivity between the existing business parks cluster of significant assets, while planning for new connections and open spaces, to support additional jobs and up to 7,650 homes.

Precinct planning in Macquarie Park will help deliver more jobs and homes in Sydney's North District. These homes and communities need to be supported by the timely delivery of infrastructure and services. Contributions collected from developers will help to deliver key infrastructure needed to support new and growing communities sooner.



Figure 1: Housing and Productivity Contribution boundaries

- Six cities region
- Contribution area
- National park and state forest
- Open space
- Water body

What are infrastructure contributions?

Infrastructure contributions are payments made by developers that help deliver infrastructure needed to support their developments. They are a key source of funding for councils and the NSW Government to deliver local, regional and state infrastructure to support our communities. More information about infrastructure contributions is available at www.planning.nsw.gov.au/policy-and-legislation/infrastructure/infrastructure-funding.

The NSW Government uses the collected contributions from developers to coordinate the delivery of key infrastructure such as roads, schools, health facilities, open space, emergency services, transport, and pedestrian and cycling connections as communities grow.

Contributions toward the provision of State infrastructure will be required for development in the Macquarie Park Innovation Precinct.

The infrastructure contributions system in NSW is being reformed to address recommendations made by the NSW Productivity Commissioner. This includes the introduction of a Housing and Productivity Contribution, which funds state and regional infrastructure needed across the Greater Sydney, Illawarra Shoalhaven, Central Coast and Hunter regions.

State infrastructure contributions in the Macquarie Park Innovation Precinct

What are the contribution rates?

Housing and Productivity Contribution

The Housing and Productivity Contribution will be introduced on 1 October 2023. The contribution rates payable are outlined in figure 2.

The contribution rate is based on the recommendations of the NSW Productivity Commissioner, and the cost of the additional infrastructure required to service the additional population.






Greater Sydney Region	
Land use	Contribution rate
 Houses (detached, semi-detached and townhouses)	\$12,000 per dwelling / lot
 All other residential accommodation (residential flat buildings and units)	\$10,000 per dwelling / lot
 Industrial	\$15 per square metre of new gross floor area for industrial development
 Commercial	\$30 per square metre of new gross floor area for commercial development
 Retail	\$30 per square metre of new gross floor area for retail development

Figure 2: Housing and Productivity Contribution Rates

Where will the contribution apply?

The Housing and Productivity Contribution applies across Greater Sydney, including the area identified below as 'Macquarie Park', also known as the *Macquarie Park Corridor*.

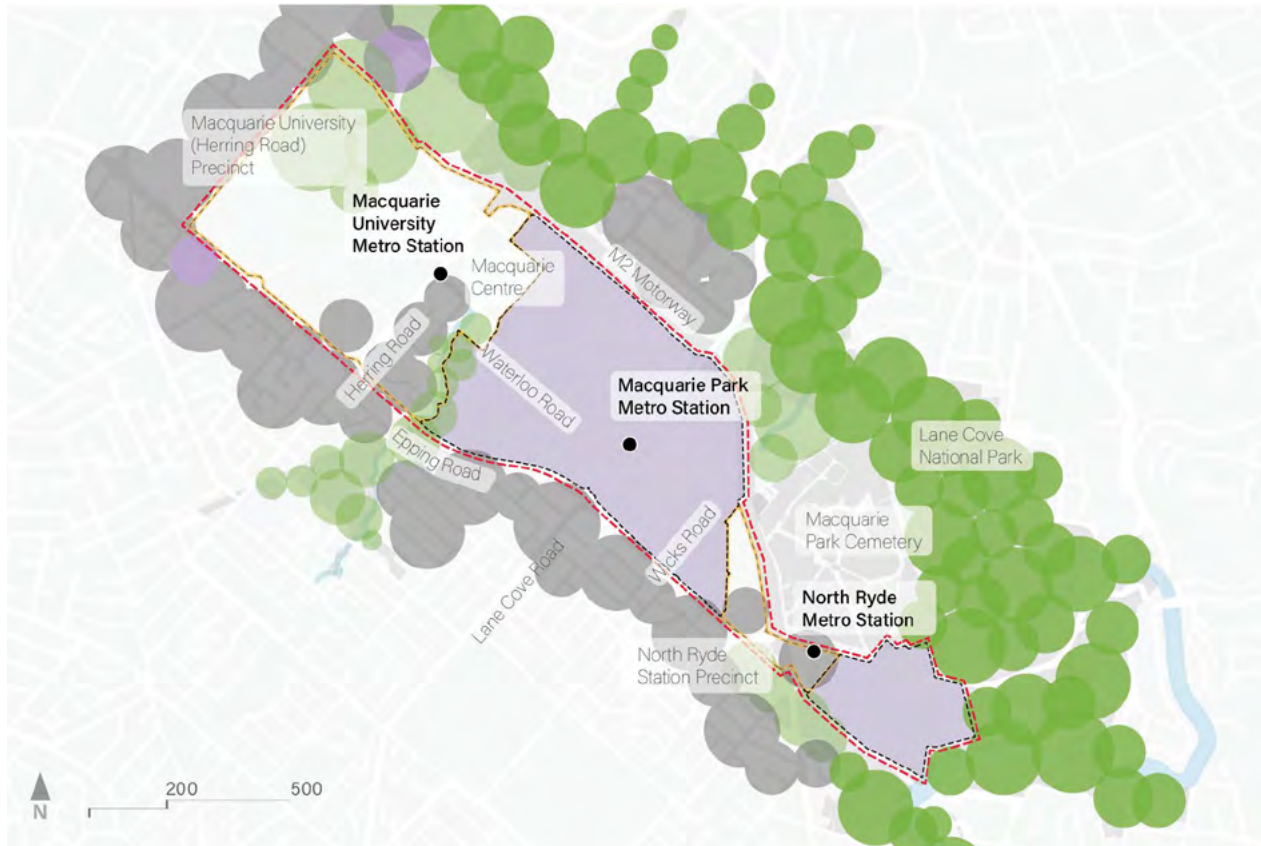


Figure 3: Macquarie Park Corridor

Legend

- | | | |
|----------------------------|-------------------------------|-----------------------|
| Investigation area | Established residential areas | Open space |
| Urban activation precincts | Lane Cove National Park | Social infrastructure |
| Macquarie Park | | |
| Metro Station | | |

What types of development will the contributions apply to?

Under the Housing and Productivity Contribution, the following types of development are subject to paying a contribution:

- residential development that intensifies land-use where new dwellings are created, such as houses, apartments, terraces and dual occupancies.
- commercial and retail development such as shops, neighbourhood shops, supermarkets, and commercial office buildings where new floorspace is created.
- industrial development such as warehouses and industrial buildings, where new floorspace is created.

The contribution will not apply to the replacement of existing houses.

Some types of development may be exempt from paying the contribution. These include public housing, seniors housing (within the meaning of the Standard Local Environmental Plan), affordable housing and secondary dwellings (sometimes called 'granny flats') carried out under the Housing State Environmental Planning Policy (SEPP). Exemptions will be set out in the Ministerial Order for the Housing and Productivity Contribution.

What will the contributions pay for?

The contribution will provide funding towards the delivery of key State infrastructure to support long-term growth in the region. It will contribute towards the following types of growth-enabling infrastructure of State and regional significance:

- Roads and intersection upgrades
- Active transport links
- New and upgraded cycle ways and connections
- Sports and recreation facilities

More detailed information around what infrastructure is proposed in the Macquarie Park Innovation Precinct can be found at www.planning.nsw.gov.au/plans-for-your-area/priority-growth-areas-and-precincts/macquarie-park.

Funds collected by the Housing and Productivity Contribution will be held by the NSW Treasury in a Special Deposits Account to support the NSW Government in delivering this growth-enabling infrastructure. Infrastructure funding allocation will be based on an Infrastructure Opportunities Plan that has been developed in consultation with State Government agencies and Councils and recommendations of the Minister for Planning.

Funds from the Housing and Productivity Contribution Fund, once established, may also be provided to support councils in delivering infrastructure.

Will local contribution plans still apply?

Yes, councils may levy local contributions where they have an adopted contributions plan (either Section 7.11 or 7.12) in place.

Items in local contribution plans are local in nature and the funds collected are held by the local council to support them in delivering local infrastructure.

In most instances, both local contributions and a Housing and Productivity Contribution will apply.

When will the contribution need to be paid?

For commercial, retail and industrial development involving construction only, the contribution must be paid before a construction certificate is issued.

For residential development, the contribution must be paid before either a subdivision certificate or construction certificate is issued.

What is the process to calculate a contribution payment?

We are developing a digital tool to allow for contributions to be calculated and paid for online. This tool will be integrated into the NSW Planning Portal and automates the ongoing administration, tracking and reporting of contributions.

Transitional arrangements and phasing in the contribution

Once introduced, the Housing and Productivity Contribution mechanism provides discounted rates to support market adjustment as shown below.

Year	Discount rate
Initial period (1 October 2023 - June 2024)	50%
Second year (July 2024 - June 2025)	25%
Third year onwards (July 2025 +) *full contribution comes into effect	0%

What are the ways of making a contribution?

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 allows developers to dedicate land for infrastructure or build a piece of required infrastructure rather than make a monetary contribution. Agreed works or dedication of land may be offset from the required monetary contribution. These arrangements are at the discretion of the Minister for Planning and Public Spaces.



Campus panorama of Macquarie University, Sydney. Credit: Salty Dingo

More information

The Housing and Productivity Contribution is a new approach to state infrastructure contributions and will replace the existing Special Infrastructure Contributions system.

It will apply to development applications made on or after 1 October 2023. You can find out more about the Housing and Productivity Contribution by reading our short guide www.planning.nsw.gov.au/sites/default/files/2023-05/housing-and-productivity-contribution.pdf.

The department will continue to work with stakeholders to build the digital service that will modernise how infrastructure contributions are collected and managed and improve transparency for all users. Support and onboarding assistance will be provided to users of the digital service, ensuring appropriate training is available.

For up-to-date information on the Housing and Productivity Contribution reform, please visit www.planning.nsw.gov.au/policy-and-legislation/infrastructure/infrastructure-funding/improving-the-infrastructure-contributions-system.

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