

Proposed Special Infrastructure Contribution Pymont

November 2021





Pyrmont Peninsula

The Pyrmont Peninsula is well positioned to attract global investment, driven by the connectivity of the Peninsula to Sydney's CBD, complementing and strengthening its position as a place at the cutting edge of the future of work, a place enlivened by creativity and design thinking, a globally connected place with jobs in arts, culture, entertainment, and the innovation economy.

The strong demand for further investment in the Pyrmont Peninsula needs to be managed in a way which unlocks jobs, new opportunities and vibrant 24-hour culture, while also considering the area's heritage, amenity and local character.

During the coming decades, residents, students and workers will benefit from improved access, enhanced public domain and new local infrastructure.

The vision for Pyrmont Peninsula

In 2041, the Pyrmont Peninsula will be an innovative, creative and cultural precinct and an engine room of the Eastern Harbour CBD. It will connect to the Innovation Corridor and other innovation and job precincts via Sydney Metro and complement the Sydney CBD.

This vision is supported by a strong relationship and shared responsibility between the NSW Government and City of Sydney Council to transform and grow the Pyrmont Peninsula. Co-ordinated growth and infrastructure will be guided by the Pyrmont Peninsula Place Strategy.

Delivering infrastructure to support growth

Pymont's future growth builds on the abundance of charm, diversity and the wonderful natural attributes that make it such an attractive place to live, learn, connect, play and work. A place loved by both locals and visitors alike for its world class cultural and entertainment offerings, the green open spaces that wind along the harbour, its stunning waterfront location and cherished heritage, with sandstone cliffs, tree-filled streets and heritage wharves.

With the Government's decision to invest in a Sydney Metro Station in Pymont, coordinated planning will ensure new investment is harnessed to deliver jobs, as well as the public benefits needed to support the delivery of great places. A Sydney Metro Station in Pymont will be the key catalyst for public transport connectivity and a key enabler for growth and change on the Pymont Peninsula.

In recognition of this benefit, the Department is proposing a Special Infrastructure Contribution (SIC) applied to all new development within the catchment of the new station. This catchment is referred to as the Pymont Special Contributions Area (SCA).

The proposed SIC will support the provision of improved access to and from Pymont via a new metro station on the Sydney Metro West line.

What is a Special Infrastructure Contribution (SIC)?

A SIC is determined under the Environmental Planning and Assessment Act 1979. It is one way the NSW Government ensures funding is available for key state and regional infrastructure required to support growing communities, allowing priority infrastructure to be delivered at the same time as development.

A SIC framework is put in place through the making of three instruments:

- **SIC Determination** – the legal instrument that defines the level and nature of the SIC.

- **Ministerial Direction** – Imposes the requirement to place a SIC condition on development consent.
- **Ministerial Order** – Establishes the SCA through an amendment to the EP&A Act.

A SIC is paid by developers within a defined SCA to contribute to the cost of infrastructure delivery.

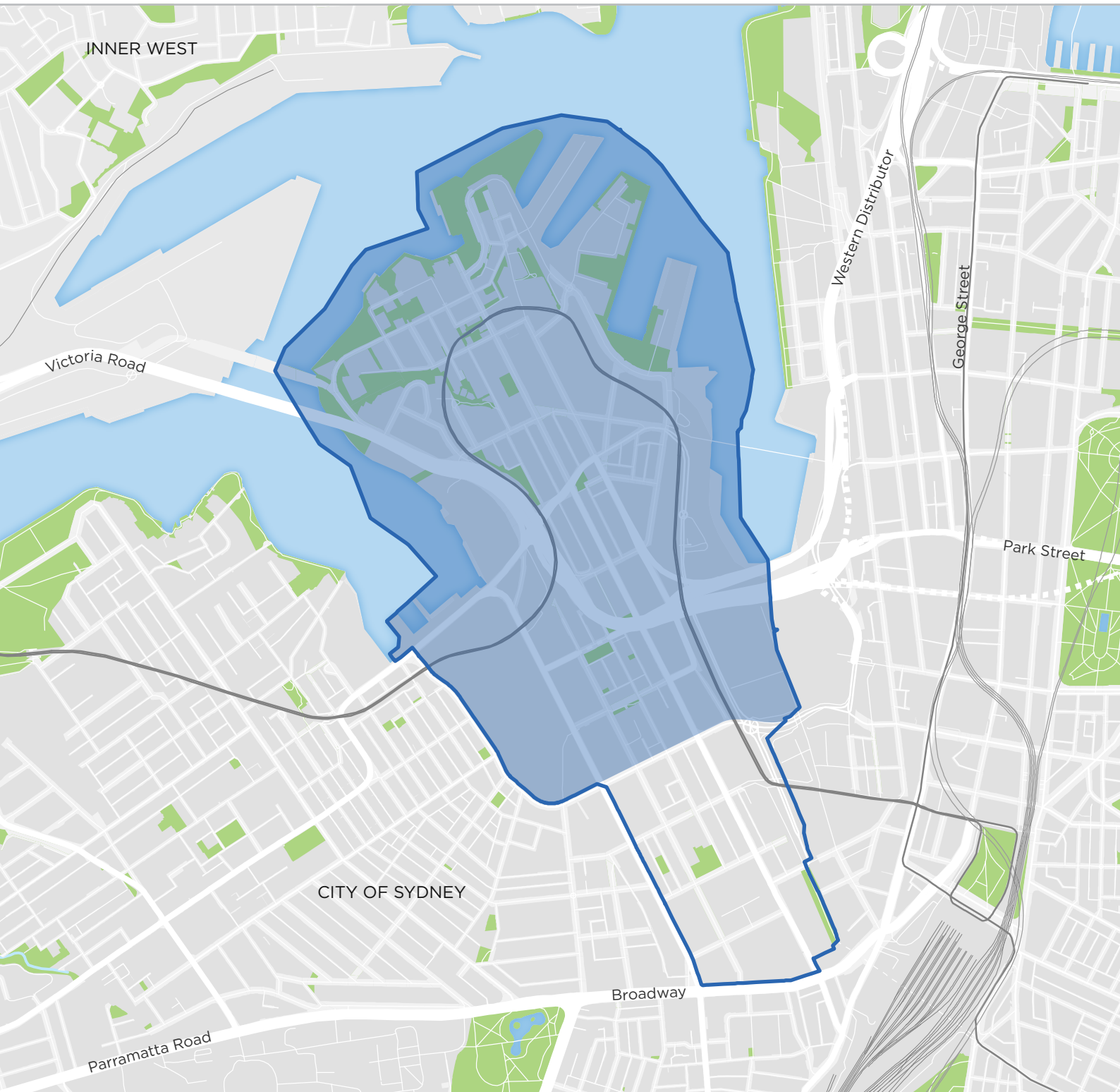
The proposed Pymont SIC will be applied in the Pymont SCA (shown in page 5) and is proposed to come into effect at finalisation of the Pymont Peninsula sub-precinct masterplans in early 2022.



What are the benefits of the SIC framework?

The SIC framework has been applied to seven areas across NSW to support specific State and regional infrastructure requirements. The SIC is in addition to other levies such as local infrastructure contributions. It has many benefits for the community, landowners, developers, and councils, as it:

- provides certainty to the community that strategic and precinct plans are supported by an infrastructure contributions framework to help fund State and regional infrastructure
- offers transparency about the collection and distribution of contributions levied from development
- supports the timely delivery of infrastructure in line with community expectations and rate of growth
- enables the development industry and landowners to contribute funding towards infrastructure which enables growth and renewal.

Proposed Pyrmont Special Contributions Area



-  Pyrmont Precinct
-  Pyrmont Special Contributions Area



Proposed SIC for Pymont Peninsula

The Minister for Planning & Public Spaces is proposing a SIC for the Pymont Peninsula, and is seeking feedback from stakeholders before finalising.

In developing the SIC proposal, the following have been considered:

- The anticipated demand for the Pymont Metro Station that will be created by development.
- The cost of the Pymont Metro Station attributed to planned growth.
- The need to accommodate other contributions applied in the area including local infrastructure plans and affordable housing

The proposed SIC represents a reasonable contribution towards the cost of the Pymont Metro Station while not adversely effecting development feasibility.

What is the proposed SIC rate?

In the Pymont Peninsula the SIC will apply to all new development in the SCA with rates informed by a 'capacity to pay' assessment and based on the type of development.

The proposed contribution rates are:

Development Type	Rate
Residential	\$15,000 per new dwelling
Non-residential	\$200 per sqm of new GFA

Proposed Special Infrastructure Contributions for Pymont

A Special Infrastructure Contribution (SIC) scheme is proposed to ensure development benefit from the new metro station, also contribute to the cost of delivering it. The SIC for the Pymont Special Contributions Area (SCA) has been developed in conjunction with the Pymont Peninsula Place Strategy.

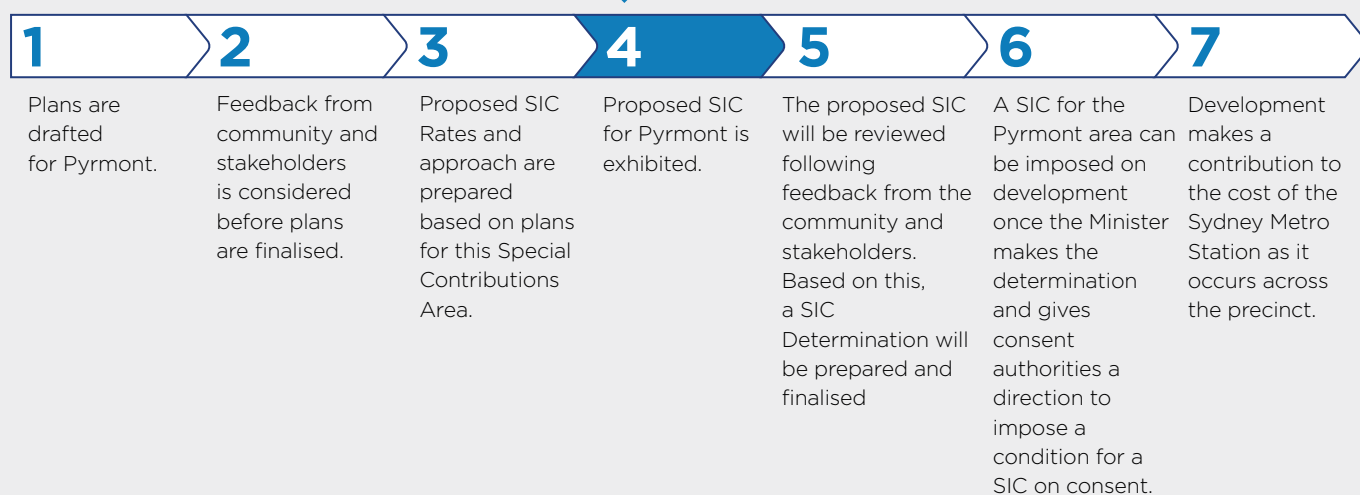


\$280 million

Contribution towards the cost of the new Metro Station at Pymont

Planning and delivery

We are here



What development is required to pay a SIC?

The SIC will come into effect following finalisation of the Pyrmont sub-precinct master plans in early 2022. The proposed SIC will only apply to development within the Special Contributions Area (shown on page 4.) for which a development consent is required on the basis that residential and non-residential development that gains approval will generate demand for and/or benefits from the station infrastructure.

For the purposes of residential development, the dwelling types to which the SIC will apply include attached dwellings, dual occupancies, dwelling houses, multi-dwelling housing, residential flat buildings, semi-detached dwellings, a group of self-contained dwellings that is seniors housing and shop-top housing.

Certain development such as public housing, seniors housing or affordable housing provided by or on behalf of a social housing provider will not be subject to a SIC.

Non-residential development to which the SIC will apply includes development types such as commercial office premises and retail.

Where will the SIC apply?

The proposed SIC will apply to new development in the Pyrmont Peninsula SCA, illustrated in the map on page 4, which is an area based on a walking catchment of the new Pyrmont Metro Station which is not serviced by other heavy rail service catchments.

Ultimo has been excluded from the SCA because it is located within the existing service catchment of the Central Station precinct.

When would the SIC be paid?

The proposed SIC would be generally payable before a construction or occupation certificate is issued, depending on the type of development making the contribution. The Determination will specify when the SIC must be paid. The SIC payment can be made through the Planning Portal.

The Department of Planning, Industry and Environment administers the SIC framework and contributions are paid into a statutory fund administered by the Planning Secretary in consultation with the Secretary of the Treasury.

Will the SIC impact local contribution plans?

Local council contribution plans (such as section 7.11 and 7.12 contributions plans) will still apply. Local contributions fund local infrastructure and help councils, to deliver parks, transport and drainage upgrades in areas experiencing growth. Infrastructure in local contribution plans is different to the infrastructure identified in a SIC determination, to avoid the duplication of charges and to ensure councils have agency over their local infrastructure planning and delivery.

To ensure development feasibility and housing supply are not impacted by the SIC, other development costs, fees and charges are considered when setting the SIC rate.

How will the proposed Pyrmont SIC operate?

Once the SIC for Pyrmont has been determined by the Minister for Planning and Public Spaces, the Department will be responsible for periodic reviews of the SIC rates, SCA boundaries, infrastructure costs and adjust these as required. This allows the SIC framework to stay up-to-date with changes to land value and rezoning, key infrastructure projects and any other significant changes to the area. An annual reporting framework is proposed to identify the contributions collected and the level of funding allocated in the SCA to ensure transparency about the collection of funds and delivery of infrastructure.

Will there be transitional arrangements to assist landowners and developers to adapt to the SIC?

To help new developments adapt to the new charge, the SIC will be phased in with a 50% reduction in the first year and a 25% reduction in the second year. The full rate is expected to apply from the third year after the Determination has been made.

What happens if development begins before the SIC for the Pyrmont Peninsula is in place?

If a development proposal is put forward before the proposed SIC has been determined by the Minister, the Department will endeavor to negotiate a planning agreement with the proponent to ensure that an appropriate contribution will be made to the provision of State and regional infrastructure. Any development application that is already approved will not be subject to a SIC.

Will there be provisions to mitigate the economic impact of COVID-19?

The NSW Government has made changes to the Environmental Planning and Assessment Act 1979 in response to the COVID-19 emergency.

In June 2020, amendments to determinations were made to temporarily defer the payment of special infrastructure contributions during the pandemic period until the issuing of an occupation certificate for certain types of development. Refer to the department's COVID-19 Response measures for further information.

Will the NSW Government's review of the infrastructure contributions system affect the proposed Pyrmont SIC?

The NSW infrastructure contributions system is being reformed under the recommendations of the NSW Productivity Commission. This includes the introduction of a broad-based regional approach towards State contributions for the high growth regions of Greater Sydney, Illawarra Shoalhaven, Central Coast, and the Greater Hunter.

The new Regional Infrastructure Contribution (RIC) Framework is proposed to comprise:

- a standard broad-based contribution for regional infrastructure
- a Transport Project Component for specified areas serviced by major transport investment
- a Strategic Biodiversity Component in biodiversity certified areas.

Once the proposed RIC Framework is implemented, the proposed Pyrmont SIC is intended to be transitioned into the new system. As the proposed Pyrmont SIC is a contribution towards the Sydney Metro Station, the proposed SIC – subject to approvals and public consultation – will inform the implementation of the RIC framework as a Transport Project Component.



How does a Special Infrastructure Contribution work for Planned Precincts and Growth Areas?

1. Planning



Growth area 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 proposed

The Department of Planning, Industry and Environment, has worked with Sydney Metro to develop the proposed SIC.



Consultation

The proposed 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's website.

2. Contribution



SIC is determined

Once feedback is considered, the Minister makes the SIC Determination, Order and Direction and the SIC will now apply to new developments in the contribution area.



Development application to council

Consent authorities such as local councils will impose a condition on a development consent to require payment of the SIC.



Contribution is made

Developers pay the SIC to the Department.

3. Delivery



New homes and jobs

New residential and commercial developments are sold to buyers at market value. The cost of the SIC should not be passed on to buyers.



New infrastructure

The Department coordinates with Transport for NSW to ensure contributions are spent on the delivery of the Pyrmont Metro Station.



Community revitalised

Delivery of the Pyrmont Metro Station improves access to new developments in the Peninsula.



Have your say on the proposed Pyrmont SIC

You are welcome to provide feedback on the proposed Special Infrastructure Contribution for Pyrmont, including the rate, Special Contributions Area and infrastructure schedule.

You can have your say on the Department's website at:
planning.nsw.gov.au/pyrmont-sic

To stay up-to-date on the progress of the draft Pyrmont SIC, register for updates through the Department's website.

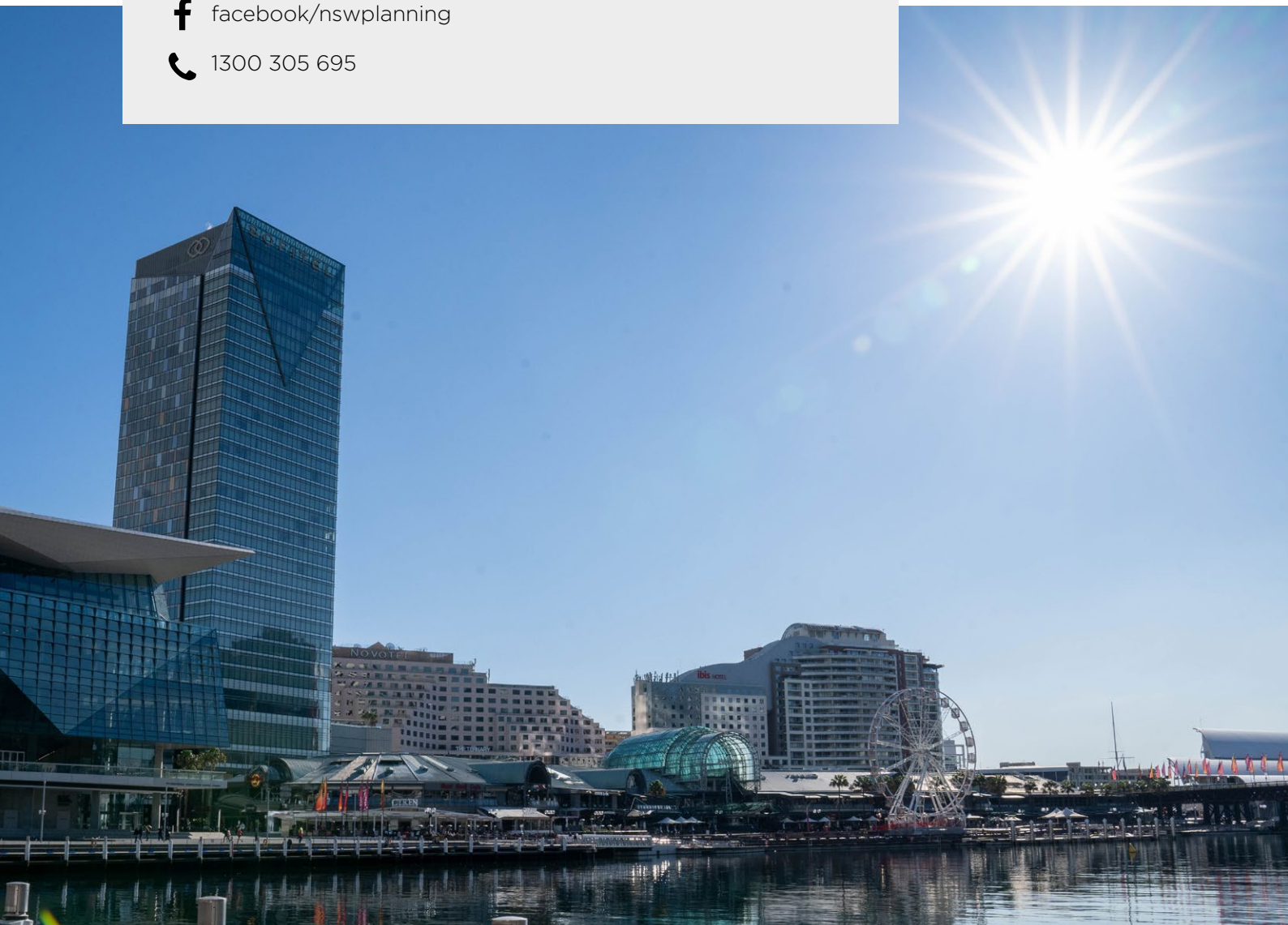
More information

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