

Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Bill 2023

Portfolio Committee No. 7 – Planning and Environment Inquiry

Question on notice

Value of existing Special Infrastructure Contribution credits

The current Special Infrastructure Contributions system includes ten contribution areas:

- Bayside West
- Frenchs Forest
- Gosford City Centre
- Illawarra-Shoalhaven
- Pyrmont Peninsula
- St Leonards and Crows Nest
- Warnervale Town Centre
- Western Sydney Growth Area
- Western Sydney Aerotropolis
- Wyong Employment Zone

The existing system allows developers to offset their Special Infrastructure Contribution monetary obligations by entering into a works-in-kind arrangement. This can include the dedication of land or the carrying out of works. Where the value of this arrangement exceeds the contribution obligation, a credit is recognised by the State (known as ‘surplus credits’).

Credits held by a developer can only be used within the Special Infrastructure Contribution area in which they were generated. This means that if a credit was generated within the Western Sydney Special Infrastructure Contribution area, then it can only be used to offset obligations in that same area (that is, the credits cannot be applied to development in the Aerotropolis, as this is a separate contribution area).

To date, surplus credits have only been generated in the Western Sydney Growth Area and reflects the greenfield nature of development. Developers are likely to dedicate land for infrastructure purposes (such as schools) or deliver infrastructure (such as roads) which will unlock their housing development and are effectively forward-funding this infrastructure. They will typically draw down on their surplus credits over a period of years as their developments progress.

As of May 2023, the credits are valued at \$73,244,087 (FY23 rates) and are held by nine developers in the Western Sydney Growth Areas SIC area.

Works-in-kind agreements executed before the introduction of the Housing and Productivity Contribution will remain and continue to operate.