



# Planning for the Western Sydney Aerotropolis: Proposed Special Infrastructure Contribution

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November 2020





# Acknowledgement of Country

Planning for the Western Sydney Aerotropolis acknowledges more than 60,000 years of continuous Aboriginal connection to the land that makes up NSW.

The Department of Planning, Industry and Environment recognises that, as part of the world's oldest living culture, traditional Aboriginal and Torres Strait Islander owners and custodians of the Australian continent and adjacent islands share a unique bond to Country — a bond forged through thousands of years of travelling across lands and waterways for ceremony, religion, trading and seasonal migration.

A key objective in planning for the Aerotropolis is to:

## **Recognise Country**

*Acknowledge Traditional Custodians and provide opportunities to Connect with Country, Design for Country and Care for Country when planning for the Aerotropolis.*

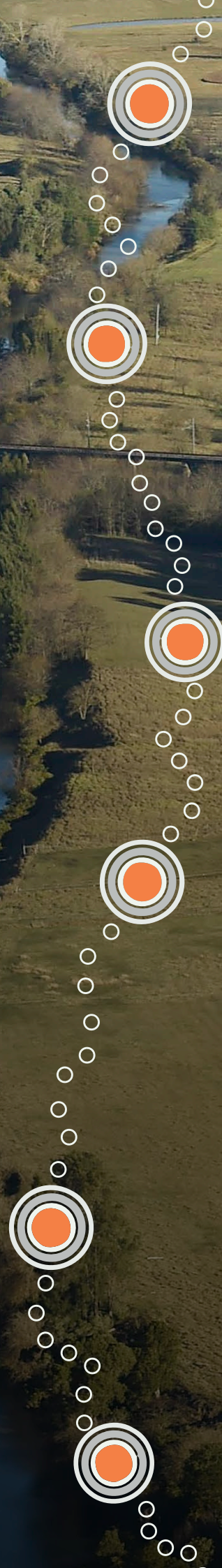
Aboriginal peoples maintain a strong belief that if we care for Country, it will care for us. The Aerotropolis area is custodially cared for by three Aboriginal groups: the Darug, Dharawal and Gundungurra. Others, such as the Eora, Darkinjung, Wiradjuri and Yuin maintain trade or other obligatory care relationships with the area. The Deerubbin, Gandangara and Tharawal Local Aboriginal Land Councils also have local land holdings and responsibilities towards Aboriginal peoples living in the area.

Country takes in everything within the physical, cultural and spiritual landscape – landforms, waters, air, trees, rocks, plants, animals, foods, medicines, minerals, stories and special places. It includes cultural practice, kinship, knowledge, songs, stories and art, as well as spiritual beings, and people: past, present and future.

At around 12 square kilometres, the area of the Aerotropolis is large, and extends beyond the initial Aerotropolis Precincts for which planning is underway. The Aerotropolis forms part of Country – the interconnected and complex system of water, landscape, geology, sky and culture important to Traditional Owners – and is emerging as a critical integral concept to urban design. Country extends from the mountains, across the plains and rolling hills to the sea and beyond.

The planning and future phases of the Aerotropolis will recognise Aboriginal cultural values in design outcomes, cultural heritage, and the approach to the urban system.

Artwork by Nikita Ridgeway





# Western Sydney Aerotropolis – Australia's next global gateway

The Western Sydney Aerotropolis will become a thriving economic hub for the emerging Western Parkland City, delivering new jobs, homes, infrastructure and services for people in the region.

Benefiting from proximity to the new Western Sydney International (Nancy-Bird Walton) Airport, the new city will create 200,000 jobs in the Western Parkland City, across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries. The Sydney Metro Western Sydney Airport project will become the transport spine, connecting communities and travellers with the new airport, Aerotropolis and the growing broader Western Sydney area.

During the coming decades, residents, students and workers in Western Sydney will benefit from easy access to strong local and international connections and a 24-hour economy centred around the new airport.

## **The vision for the Western Sydney Aerotropolis**

The Aerotropolis accommodates high value jobs closer to where people live. It is an accessible, innovative 24-hour metropolitan centre, connected globally, nationally, locally and digitally.

This vision is supported by the Western Sydney City Deal, an agreement between three levels of Government to transform and grow the Western Parkland City. Coordination of growth and infrastructure is provided through the NSW Government's Smart Cities Plan, the Greater Sydney Commission's Western City District Plan and the Future Transport 2056 strategy.

Aerotropolis Preliminary Artist's Impression



# Delivering infrastructure to support growth

To deliver the vision for the Aerotropolis and Western Sydney Aerotropolis Plan and meet the objectives of the strategic framework for the transformation of the Western Parkland City, the Department of Planning, Industry and Environment (the Department) has prepared a coordinated planning package including draft plans for five Aerotropolis precincts.

Key to achieving the outcomes outlined in these plans is the provision of infrastructure to support the development of the Aerotropolis. The Greater Sydney Commission is leading the preparation of a Place-based Infrastructure Compact to align growth and infrastructure investment. To allow residents, businesses, students and workers to move in, priority infrastructure needs to be delivered at the same time as development.

The Department is proposing a Special Infrastructure Contribution (SIC) for the Aerotropolis to help fund key infrastructure as well as provide for biodiversity offset. In the Aerotropolis, this will include:

- Rail and bus infrastructure
- Schools
- Community health and emergency service facilities
- Parks and other open space
- Upgrades to State and regional roads
- Bicycle network
- Regenerating the Cumberland Plain Conservation Area.

A SIC is an important part of integrating land use and infrastructure to ensure the Aerotropolis will be a great place to live, work, study and do business. Collaborative and integrated place making is key to delivering the vision for the Aerotropolis and driving value for development of this new global gateway.

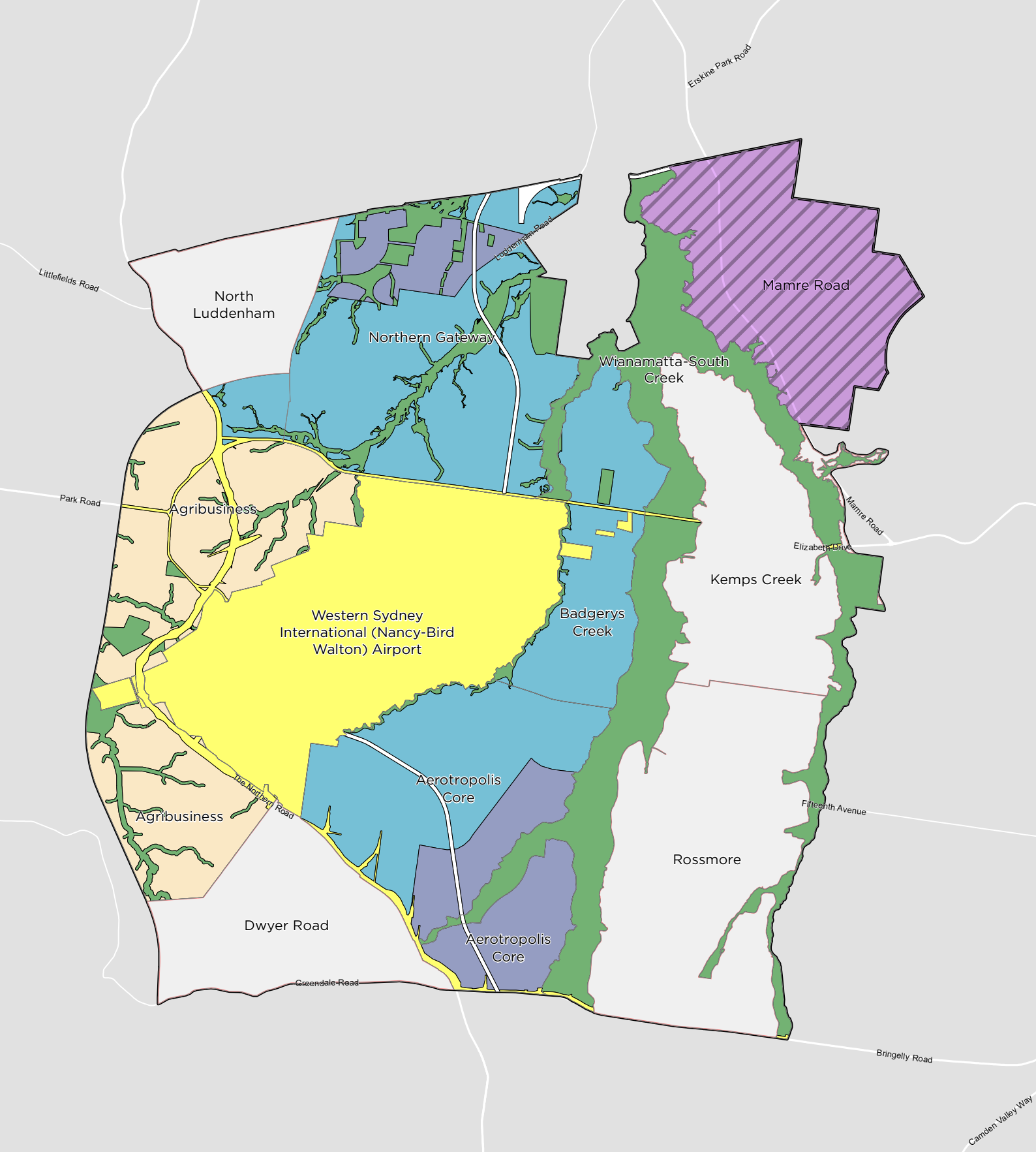
It is one part of the NSW Government's wider plan for delivering the infrastructure needed in the Aerotropolis. The Aerotropolis will make the most of the Western Sydney Infrastructure Plan, a NSW and Federal Government investment program to upgrade rail and roads including:

- Bringelly Road upgrade
- Elizabeth Drive
- M12 Motorway linking the M7 Motorway to the Western Sydney International (Nancy-Bird Walton) Airport
- The Northern Road upgrade
- Sydney Metro – Western Sydney Airport.

In the Aerotropolis, the SIC is proposed to seek contribution from developers in line with the zoning of the land. Six initial precincts in the Aerotropolis have been rezoned as shown in Figure 1.

Figure 1: Aerotropolis precincts  
Source: Western Sydney Aerotropolis Plan  
(September 2020)





## Land Zone

### Western Sydney Aerotropolis

- Western Sydney Aerotropolis
- Precinct Boundary
- Major Infrastructure Corridor

#### Land Zone (Aerotropolis SEPP)

- AGB Agribusiness
- ENT Enterprise
- ENZ Environment and Recreation
- MU Mixed Use
- SP2 Infrastructure

#### Land Zone (Western Sydney Employment Area SEPP)

- Mamre Road (includes IN1 Industrial)







Artist's impression of of the proposed Luddenham Station  
Source: Sydney Metro



# 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 is paid by developers within a defined Special Contributions Area to contribute to the cost of infrastructure delivery. This contribution helps ensure key infrastructure such as state and regional roads, open space, schools and health facilities are in place in time for new residents and businesses.

## Benefits of the SIC framework

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

- certainty that priority infrastructure will be funded and delivered
- transparency about collection and distribution of funds for infrastructure
- streamlining the planning process by reducing the number of individual planning agreements
- timely delivery of infrastructure in line with community expectations and rate of growth
- enabling industry to contribute funding for infrastructure that provides a benefit to the community and adds value to development.

## How does a Special Infrastructure Contribution work for Precinct Plans and Growth Areas?

### 1. Planning



#### Precinct Plan / 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 drafted

The Department of Planning, Industry and Environment, in consultation with councils and government agencies, identifies: the infrastructure schedule – proposed infrastructure to be funded by the SIC, and the rate – how the cost will be shared across new developments.



#### Consultation

The SIC Determination 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 determination 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 relevant SIC rate.



#### Contribution is made

Developers may pay the SIC to the Department or build a piece of infrastructure identified in the infrastructure schedule.

### 3. Delivery



#### New development

Delivery of new communities, houses and employment centres.



#### New infrastructure

The Department coordinates councils, government agencies such as Transport for NSW, Sydney Metro, Education, and Health, to deliver SIC-funded infrastructure, and regional open space.



#### Community revitalised

New homes, jobs and facilities for a growing community.

We are here



Aerotropolis Preliminary  
Artist's Impression

## Proposed SIC for Aerotropolis

The Department has prepared a Draft SIC Determination for the Aerotropolis, and is seeking feedback from stakeholders before finalising.

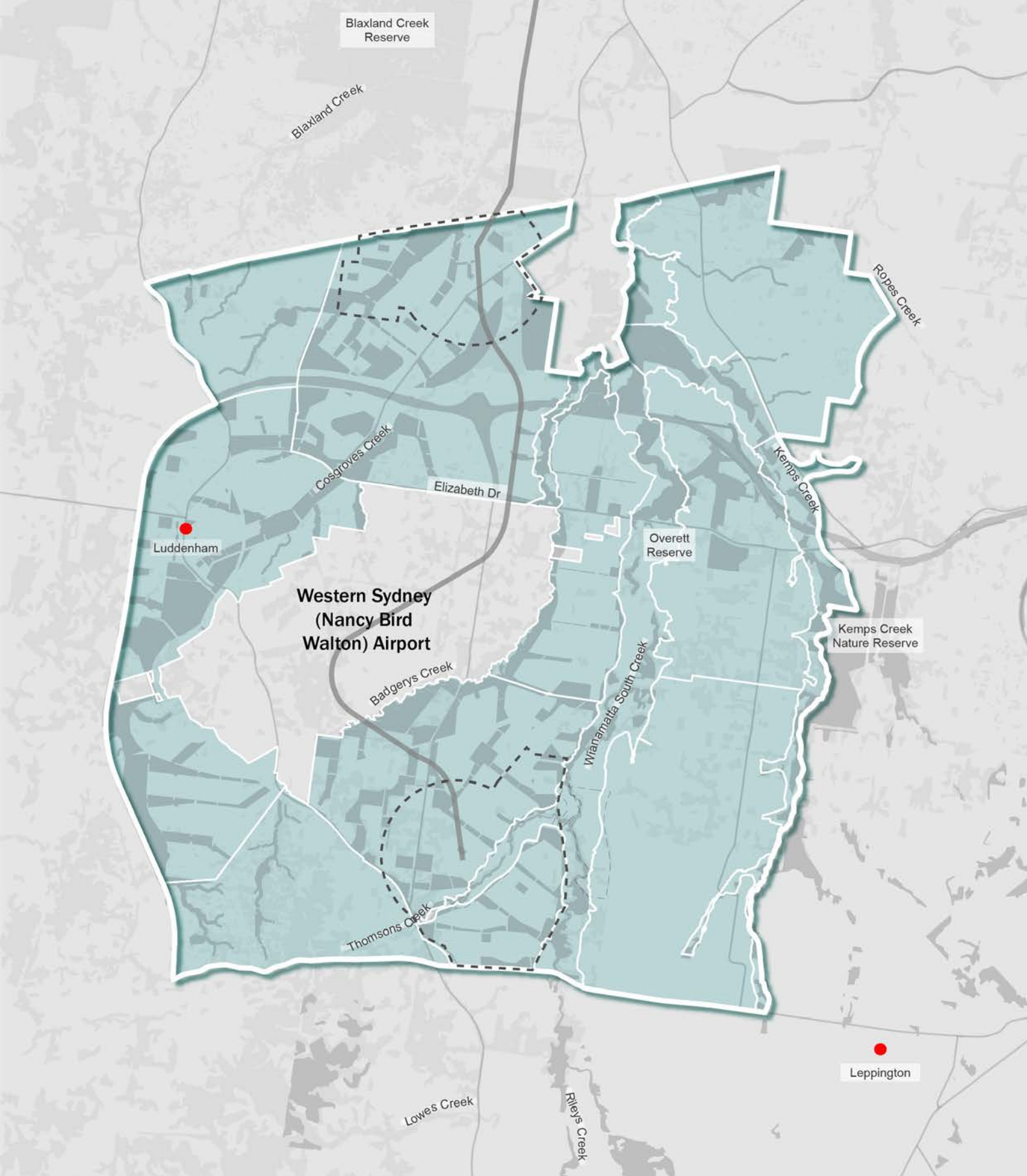
In developing the SIC, the Department has considered:

- the anticipated demand for new infrastructure that will be created by development
- the cost of infrastructure needed to integrate infrastructure with land use development and environmental outcomes
- the impact of other contributions applied in the area such as council's local contribution
- the forecast number of additional population, employees and housing to be delivered
- ensuring adequate funding for infrastructure, while ensuring the rates applied do not impact development feasibility.

The proposed SIC will be applied in the Aerotropolis Special Contributions Area, shown in Figure 2.




Figure 2: Aerotropolis Special  
Contributions Area  
Source: Hassell







## Special Contributions Area

### Western Sydney Aerotropolis

-  Sydney Metro - Western Sydney Airport proposed route alignment
-  Boundary of Special Contributions Area
-  Aerotropolis Precinct boundaries

-  Aerotropolis Special Contributions Area
-  Station Precinct Area





## What is the proposed SIC rate?

In the Aerotropolis, due to the significant investment by the State and Commonwealth governments in transport infrastructure, a two-tier SIC rate is proposed, including a NDA charge and a Station Precinct charge.

### NDA charge

The NDA charge will typically be applied at subdivision stage and will incorporate two broad charge categories:

- infrastructure contributions towards transport, social infrastructure, regional open space and other State and regional infrastructure.
- contributions for biodiversity offsets under the proposed Cumberland Plain Conservation Plan.

The NDA charge is calculated per hectare of net developable area. The calculation of the net developable area excludes area such as land to be dedicated for public roads, land that is at or below the 1% flood planning level, or land subject to an easement in favour of a public utility.

### Station Precinct charge

The Station Precinct charge will apply to development in the vicinity of two Sydney Metro stations and will recover some of the State and Commonwealth governments' investment in the proposed Sydney Metro - Western Sydney Airport project.

The Station Precinct charge will apply to land within approximately 1.2km of the proposed Western Sydney Aerotropolis and Luddenham stations and land zoned Mixed Use and Enterprise, as shown in Figure 3 on page 10.

The Station Precinct charge is calculated as a percentage of the cost of carrying out the proposed development. This cost is determined including factors such as cost of erecting the building, carrying out the works and site preparation. It does not include costs such as land, project management, marketing and fitting costs.

The proposed cost must be verified by a suitably qualified person such as a quantity surveyor who is member of the Australian Institute of Quantity Surveyors or the Royal Institution of Chartered Surveyors.

The proposed contribution rates are:

Zone	NDA charge per hectare of net developable area (indexed annually)	Station precinct charge (% of the cost of carrying out development)
Mixed Use	\$500,000	2%
Enterprise	\$200,000	1%
Agribusiness	\$200,000	N/A
Industrial	\$200,000	N/A
Environment and Recreation	Nil	N/A
SP2 Infrastructure	Nil	N/A



## Who is required to pay the SIC?

Anyone who requires development consent to subdivide or develop land through development application or complying development on land zoned Mixed Use, Enterprise, Industrial or Agribusiness within the Aerotropolis Special Contributions Area will be required to make a contribution to the NSW Government. There are exceptions for certain types of development such as development that has a public or community benefit or is low impact.

Exempt development includes, but is not limited to, educational facilities, public housing, seniors housing or affordable housing carried out by or on behalf of a social housing provider. Other development such as basic alteration to an existing building, demolition of a building and subdivision for the purpose of rectifying an existing lot is also exempt.

For the NDA charge, developers may dedicate land for infrastructure or build a piece of required infrastructure, instead of making a monetary contribution. This is known as a works-in-kind agreement. Agreed works and dedication of land will be offset from the required contribution.

Entering into a works-in-kind agreement is at the discretion of the Minister for Planning and Public Spaces and does not cover contributions required for biodiversity offsets.

All Station Precinct charges must be paid as monetary contributions to the Department.

## What happens to the existing Western Sydney Growth Areas SIC?

A portion of the proposed Aerotropolis Special Contributions Area overlaps with the South West Growth Centre, which is subject to the existing Western Sydney Growth Areas SIC. The existing Western Sydney Growth Areas SIC Determination, which came into operation in January 2011, will continue to operate in lands that are defined as the South West Growth Centre.

To avoid developers making a contribution twice towards the same infrastructure, where there is an overlap, the contribution required under the Western Sydney Growth Areas SIC will be discounted against the Aerotropolis SIC. The remaining contribution will fund the cost of the biodiversity offset as required under the Growth Centres Biodiversity Offset Program.

Contribution towards other state and regional infrastructure will be provided under the proposed Aerotropolis SIC, which aligns with the proposed precinct plans and benefits from inclusion of the latest infrastructure requirements.

Aerotropolis Preliminary Artist's Impression





## Which contribution charge applies to my land?

Figure 3 shows what charges will be used to calculate contributions in different areas of the Aerotropolis

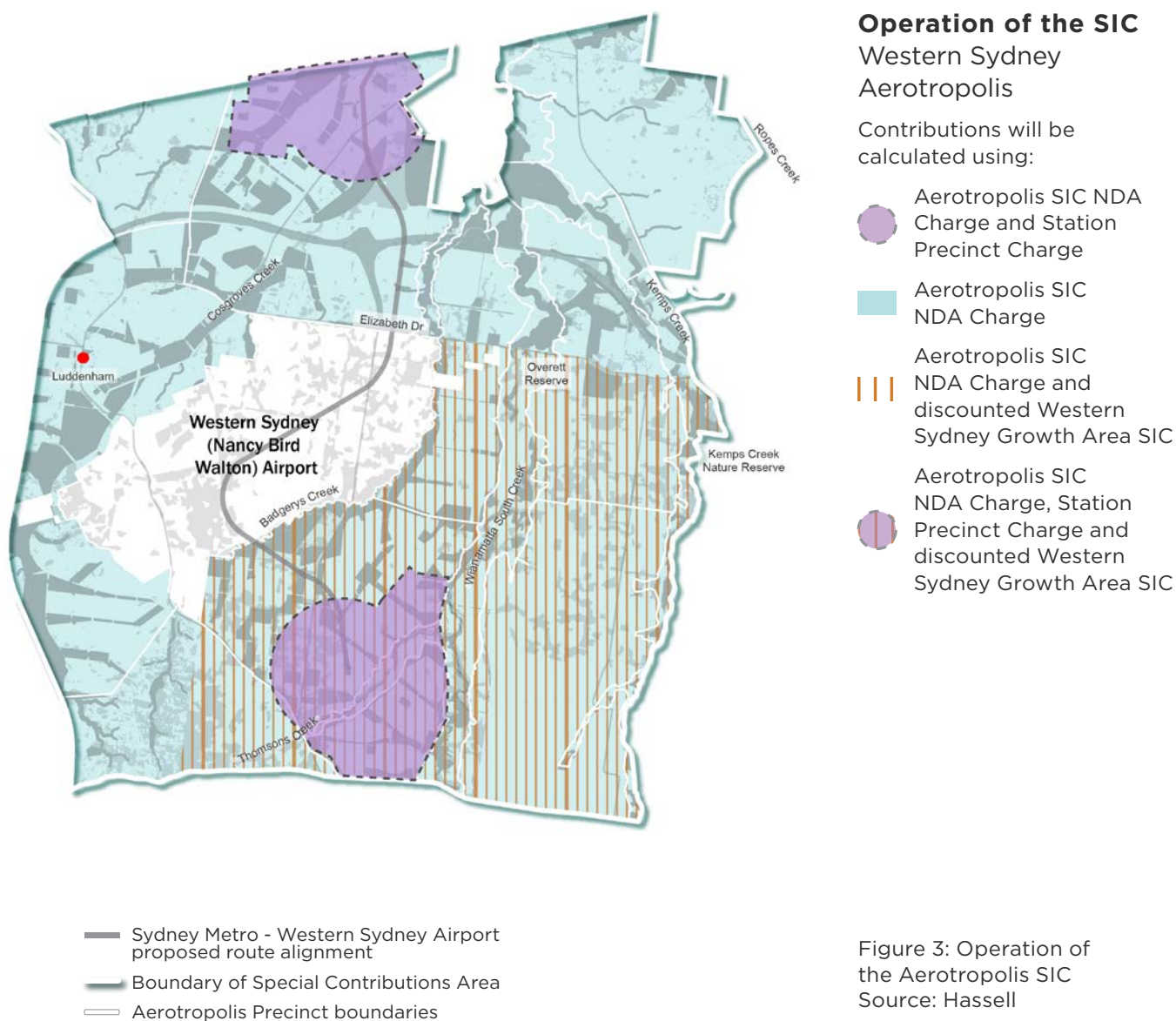


Figure 3: Operation of the Aerotropolis SIC  
Source: Hassell



## How much will the SIC contribute to infrastructure delivery in the Aerotropolis?

The proposed SIC for the Aerotropolis may enable up to \$1.1 billion to be collected by 2056 to support the growth of the area.

The proposed SIC infrastructure schedule does not represent the total infrastructure value or infrastructure required to service the Aerotropolis and only includes projects that can be reasonably associated with future development.

The cost of infrastructure apportioned to the growth associated with the Aerotropolis SIC is \$2.3 billion. Costs to service external and existing users have been excluded from the total infrastructure value to ensure developers are only paying their fair share.

The breakdown of the apportioned costs is:

- Transport – \$1,027 million
- Open Space – \$600 million
- Biodiversity Offset – \$350 million
- Health – \$6 million
- Education – \$211 million
- Justice – \$21 million
- Emergency – \$48 million
- Community – \$21 million
- Planning and Delivery – \$17 million

This represents a portion of the total cost of infrastructure delivery for the Aerotropolis, with the balance to be funded through other sources.

The detailed SIC infrastructure schedule is available in the draft Aerotropolis SIC Determination, which was released as part of the exhibition package and is available on the Department's website.

## When will infrastructure be delivered?

The precinct planning will determine the proposed sequencing of development within the initial precincts. The Department will work with other state government agencies and Liverpool and Penrith councils to determine the timing of key infrastructure project delivery, considering current and forecast development rates and infrastructure capacity.

## When will the SIC be payable?

To help new developments adapt to the new charge, the proposed charge will be phased in over two financial years, 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 SIC has been made.

For monetary contribution, a contribution must be made before any subdivision certificate or construction certificate is issued; whichever is the earlier. Temporary changes have been made to the timing of payments to respond to the impacts of COVID-19 (see breakout box below).

Contribution for works-in-kind will be subject to the agreed timing identified in the executed agreement.

Until the SIC for the Aerotropolis is made, the Department will negotiate state planning agreements with proponents to ensure that appropriate contributions are still being made to state and regional infrastructure. Any development application that is already approved will not be required to make a SIC under the proposed SIC Determination.

### ***Responding to impacts 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 new Ministerial directions and determinations were made to temporarily defer the payment of special infrastructure contributions until the issuing of an occupation certificate for certain types of development. Please refer to the COVID-19 Response Measures documents on the Department's website for further details.





Aerotropolis Preliminary  
Artist's Impression

## How does the SIC impact other developer contributions?

Local contribution plans (such as plans made for the purposes of Section 7.11 or Section 7.12 of the *Environmental Planning and Assessment Act 1979*) will still apply. Local contributions fund local infrastructure and are the responsibility of councils, while the SIC mainly funds 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 so there is no double-up of funding.

Where a voluntary planning agreement has been previously negotiated with a landowner or developer for the provision of state and regional infrastructure, the Department will ensure that a further SIC is not imposed for development on land where contributions have been made under a planning agreement.

To ensure development feasibility is not impacted by the SIC, the above contributions and other development costs, fees and charges have been taken into account as part of the analysis when setting the SIC charge rate.



## What is the biodiversity offset?

By identifying biodiversity values in development areas upfront, the Department can ensure important areas of biodiversity, vegetation and habitat are protected when development occurs, including nationally significant communities like Cumberland Plain Woodland.

The Aerotropolis is subject to two biodiversity offset programs – the existing Growth Centres Biodiversity Offset Program and the proposed Cumberland Plain Conservation Plan.

The existing Growth Centres Biodiversity Offset Program is funded by the existing Western Sydney Growth Areas SIC. Developers within the Aerotropolis area that is also part of the South West Growth Centre will contribute to biodiversity offset through the Western Sydney Growth Areas SIC.

The draft Cumberland Plain Conservation Plan is a new plan which identifies land categories and conservation zoning that will protect biodiversity values while allowing growth to occur in Western Sydney. Land within the Aerotropolis that is not within the South West Growth Centre will be covered by this plan.

The NDA charge of the proposed Aerotropolis SIC includes contribution to biodiversity offset as part of the Cumberland Plain Conservation Plan to be partly in the form of monetary contribution to the Department. This allows the Government to secure funds to undertake required works to protect and offset biodiversity.

Developers are not required to make a contribution towards the Cumberland Plain Conservation Plan until the plan has been adopted and biodiversity certification has been conferred on land within the Aerotropolis.



Wianamatta marshes  
Source: Danièle Hromek, 2020



# Have your say on the Aerotropolis SIC

We invite you to provide feedback on the proposed Aerotropolis SIC until 18 December 2020.

You can have your say at:

<https://planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/Western-Sydney-Aerotropolis/Aerotropolis-Special-Infrastructure-Contribution>

## Next Steps

Following the public display:

- the draft SIC Determination will be reviewed and we will consider feedback from the community and stakeholders
- a final SIC will be prepared and submitted to the Minister for Planning and Public Spaces
- following a Determination by the Minister, the final SIC Determination can be brought into effect
- as development occurs across the Aerotropolis, the SIC helps fund delivery of infrastructure.





## Contact

To stay up-to-date with the Aerotropolis SIC, register for updates through the Department's website.

🖱 Visit: [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au)

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