



PRECINCT ACCELERATION PROTOCOL

Guidelines for Applicants

Explanatory Notes

In June 2006, the Government formally announced the first tranche of precincts to be released within the Growth Centres. These precincts were chosen following recommendations from the Growth Centres Commission (GCC) which has been tasked with releasing land within the Growth Centres as quickly as possible within the reasonable resources of Government.

The Government also endorsed a Precinct Acceleration Protocol that allows precinct releases within the Growth Centres to be accelerated earlier than proposed by the GCC.

The key condition for acceleration of a precinct is that there will be no cost to Government. The Government also formed a Precinct Acceleration Control Group (PACG) to oversee the process of considering precinct acceleration proposals. At this time, the Group comprises:

- Sam Haddad, Director General, Department of Planning.
- David Richmond, NSW Infrastructure Group, Premiers Department.
- Hugo Harmstorf, NSW Treasury.

The Precinct Acceleration Control Group (PACG) is publishing these guidelines in order to provide more information in relation to each of the criteria relating to Stage 1 of the Precinct Acceleration Protocol and to indicate how the PACG will assess proposals with regard to these criteria (see notes in *italics*).

Proponents should provide as much detail against the criteria as possible to enable the PACG and relevant Government agencies to assess the viability of the proposal. It should be noted that, at this stage, the GCC's Infrastructure Plan is not publicly available. Where proposals are submitted on the basis of assumptions that differ markedly from the GCC's assumptions, or where information from the GCC's Infrastructure Plan needs to be made available to the proponents to ensure their financial (or other) modelling is sound, relevant information will be provided to the proponent by the PACG. Proponents are encouraged to include in their proposals requests for specific information from the GCC's Infrastructure Plan that will enable them to refine their proposal. The PACG will exercise its own discretion in determining what information will be provided to proponents.

As indicated in the Precinct Acceleration Protocol, the PACG will make recommendations to the Government on the outcome of its considerations of the proposals. The Group's role is advisory in that context.

Submission Guidelines

Preamble

Infrastructure referred to in these guidelines refers to all infrastructure identified by the Growth Centres Commission as necessary for the delivery of basic government services and/or, where appropriate, included in the calculation of the Growth Centre's Special Infrastructure Contribution. This includes, *inter alia*, roads, railways, schools, energy, water and sewer.

In addition, in particular relation to Paragraph 6, Government services referred to includes all services provided by Government that service precincts within the Growth Centres. For examples buses, education facilities, emergency services and health facilities.

1. Whole Precinct

1.1. Proponents should nominate the land that they propose be brought forward for development via acceleration – reference should be made by way of map and DP numbers.

1.2. Proponents should also nominate the whole precinct(s) they wish to accelerate and confirm they will undertake the Precinct Planning for the whole precinct in which the proposed land is situated.

2. Proponent Details

2.1. Outline which individuals/companies/organisations by which the submission is being lodged

2.2. Details of any relevant Governance arrangements between the parties to a submission should also be provided

3. Provision of Infrastructure at No Cost to Government

3.1. The Government's aim is that, when acceleration occurs, the entire precinct must be capable of being accelerated and that this can occur at no cost to Government.

3.2. Proponents will need to be prepared to pay (or provide equivalent infrastructure to the value) for the infrastructure **determined to be required by the GCC in its Infrastructure Plan** to service and connect the accelerated precinct. As a general guide, the total cost of this infrastructure across the Growth Centres is \$647,000 per net developable hectare

3.3. More specifically, the proponent will need to fund or provide:

3.3.1. Infrastructure required to service their land which is to be developed under acceleration;

3.3.2. Excess Capacity Infrastructure – Infrastructure which is that portion of infrastructure in the accelerated precinct that is provided or funded by the developer but which services land in the precinct that is not owned by the developer; and

3.3.3. Linkage Infrastructure – Infrastructure which connects the accelerated precinct to existing urban.

3.4. Where a precinct is accelerated the proponent will pay 100% of the cost. The Government will not refund 25% of the cost of infrastructure in an accelerated Precinct to the proponent.

3.5. The Government will refund to the proponent 75% of the GCC estimate of the cost of the Linkage Infrastructure and Excess Capacity Infrastructure. This refund will be provided at the time that a Special Infrastructure Contribution is collected from a subsequent developer who benefits from infrastructure provided by a proponent. This will be at the discretion of the Government.

3.6. Where practical, development within a precinct (and subsequent provision and funding of infrastructure) may be managed as a staged process. Proponents may wish to make proposals with respect to staging of implementation, however final details of the staging process will not be determined until Stage 2.

3.7. A Requirements Package will be provided during Stage 2 outlining what infrastructure must be funded or provided as works-in-kind, what infrastructure may be funded as works-in-kind and how the \$647,000 Special Infrastructure Contribution, Section 73 and other Government levies will be adjusted.

3.8. If the proponent wishes to advise the PACG of any work they may have done toward the provision of specific infrastructure as works-in-kind as part of the Stage 1 proposal, an appropriate description must be provided (see below in italics). **Proponents should note that the final details of the Requirements Package and any approach to staging of the provision of infrastructure will not be substantially dealt with or negotiated until Stage 2. Further any rebates from the Special Infrastructure Contribution as a result of agreed works-in-kind will be based on the GCC's estimate of the cost of the works and not the actual costs.**

3.9. *The PACG will require proponents to advise:*

a. expected timing and staging of the land proposed for acceleration and other land within the precinct nominated for acceleration;

- b. *if works-in-kind are proposed, details of scope and timing should be included;*
- c. *details of any discussion with the relevant NSW Government licensing or approval authority for this infrastructure, where these discussions have taken place.*

4. Interim Infrastructure

- 4.1. Proponents may wish to provide interim infrastructure to service a precinct until the long-term infrastructure is provided.
- 4.2. For example, a package sewer plant may be proposed to service a precinct until long-term infrastructure is provided.
- 4.3. Where this occurs the cost of providing, operating, de-commissioning and maintaining the interim infrastructure must be borne by the proponent and may not be considered as an offset towards either the Special Infrastructure Contribution or any Section 73 sewer and water charges. The proponent will also have to accept any public risk or liability for Interim Infrastructure.
- 4.4. *The PACG will require the following information in regard to proposals in relation to interim infrastructure*
 - a. *details and scope, cost and timing;*
 - b. *details of any discussion with the relevant NSW Government licensing or approval authority for this infrastructure, where these discussions have taken place.*

5. Local Section 94 Plans

- 5.1. The GCC will work with all councils within the Growth Centres on development of Section 94 plans, as part of the precinct planning process.
- 5.2. Proponents need to be aware that of the fact that local Section 94 contributions will need to be met and these need to be factored into any financial modelling associated with an acceleration proposal.
- 5.3. Proponents are encouraged to make realistic assumptions regarding the level of Section 94 contributions required for their precinct
- 5.4. *The PACG will require proposals to demonstrate a capacity to meet realistic Section 94 contributions*

6. Additional Operating and/or Maintenance Costs Arising for Provision of State Government Services.

- 6.1. In order to fulfil the “no cost to Government” criteria, the proponent will need to meet additional operation or maintenance costs arising from provision of Government services.

- 6.2.** These additional costs relate no to the standard operating costs of a Government service, but to any additional costs that arise due to the fact that the accelerated precinct is a limited (and isolated) catchment.
- 6.3.** For example, where a connecting service such as a bus will be used by more than one precinct, it may need to be subsidised until all precinct that might be expected to use that service are developed.
- 6.4.** *The PACG will require proposals to outline the following*
- a. Types of services that may incur additional costs servicing the precinct;*
 - b. Estimate of additional costs*
 - c. Proposals for meeting these additional costs during any interim period.*

7. Ability and Commitment to Finance and Deliver

- 7.1.** Proponents will need to satisfy the PACG that they understand the scope of infrastructure required to support a precinct and have sound proposals for meeting this need. Proponents will need to satisfy the PACG that they have the demonstrated ability to follow through with these plans.
- 7.2.** *To enable the PACG to make this assessment, proposals should:*
- a. Describe the nature of the entity making this submission and, if more than one entity is involved, outline governance arrangements between entities;*
 - b. Describe the proponent's ability to raise funds from development within the precinct – in particular, what percentage of the precinct is owned or controlled by the proponent and the exact location.*
 - c. Demonstrate the proponent's capacity to either fund infrastructure or provide it by way of works-in-kind. It may be beneficial to include experience in infrastructure delivery.*

8. Preliminary Indicative Layout/Master Plan

- 8.1.** If a precinct is to be accelerated, the entire precinct must be planned as part of the acceleration process.
- 8.2.** Proponents who plan to undertake precinct planning will need to do so in accordance with any Precinct Planning Guidelines published by the Growth Centres Commission.
- 8.3.** Proposals need to demonstrate that development of the precinct will be compliant with Government planning and environmental policy
- 8.4.** *To enable the PACG to assess proposals against this criterion, proposals should:*
- a. Demonstrate an understanding of relevant Government planning and environmental policy;*

- b. *Include a preliminary indicative layout / master plan for the precinct indicating the number of lots, proposed dwelling types, and land use zones within an accelerated development area, and also how the proposal will fit with planning policies such as:*
- *Water Recycling requirements in Growth Centres SEPP (link to website)*
 - *Objectives for yield as outlined in relevant Growth Centres Structure Plans (ref: densities, centres, schools, shops) (link to website)*
 - *If available, the Growth Centres Development Code (layout, extent of open space etc) (link to website)*
 - *BASIX (link to website)*

9. Non-Conforming Proposals

- 9.1.** The PACG recognise that some proposals may not strictly conform with the criteria set out in the Precinct Acceleration Protocol and the sub-criteria that have been outlined above, but may still be able to contribute towards the Government's objective of allowing other land within the Growth Centres to be released for development, provided it can be done so at no cost to Government.
- 9.2.** Where this is the case, the proponent should outline to what extent there is an overall net public benefit that should over-ride this non-conformity
- 9.3.** In particular, any net public benefit should be expressed in terms of the Government's objective in adopting the Precinct Acceleration Protocol.
- 9.4.** For example, a proponent may control 50% of a particular precinct and be able to also develop 20% of a neighbouring precinct. In this case, the proponent may wish to propose that the land in the neighbouring precinct that they can develop be incorporated into the precinct proposed for acceleration.
- 9.5.** The PACG may agree to assess the merits of such a proposal and provide advice to the Minister accordingly.
- 9.6.** Any decisions regarding the overall benefits of such a proposal relative to the fact that the proposal is non-conforming will be made by the Government, not the PACG.

10. Lodgement Fee

- 10.1.** Proponents should attach an assessment fee of \$12,000 payable to the Department of Planning.

11. Consideration of Proposals

- 11.1.** As per the Protocol, the PACG will consider proposals on a quarterly basis.

11.2. Following release of these guidelines, the PACG will consider submissions provided prior to 17 November 2006 on the following basis:

- Within 10 working days, the PACG will undertake a preliminary assessment of all proposals and decide which proposals have sufficient merit to be considered in more detail. These proposals will be distributed to relevant Government agencies for assessment and to provide advice to the PACG. Further information may also be sought from proponents.
- Proposals not considered to warrant further consideration will be returned to proponents (with reasons for refusal) and part of the assessment fee will be reimbursed to the proponent.
- Approximately 35 working days after submission, the PACG will convene to assess proposals. Proponents may be invited to address the PACG at this stage.
- Approximately 50 working days after submission, the PACG will provide advice to the Minister for Planning.

Submissions should be sent to:

Precinct Acceleration Control Group – Secretariat
Department of Planning Tender Box
Level 9, 10 Valentine Avenue
Parramatta NSW 2124

Four additional copies of submissions are requested (including any electronic material such as CD Roms). All submissions will receive a formal acknowledgement confirming receipt of submissions.

Any queries should be emailed to precinctacceleration@planning.nsw.gov.au

NSW Department of Planning
October 30, 2006