State and local development levies imposed in NSW include:

- State Infrastructure Contributions in the Sydney Growth Centres
- Levies on Employment lands in Western Sydney
- A State Infrastructure Contribution for the Lower Hunter
- Voluntary Planning Agreements have no cap on costs
- Utility infrastructure charges
- Six Cities levies in the CBDs of Wollongong, Parramatta, Gosford, Liverpool, Penrith and Newcastle
- A levy in Redfern Waterloo
- North Sydney railway station upgrade levy
- Section 94 levies — Flat percentage levies set as an alternative to section 94 levies
- Affordable housing levies imposed by a number of councils
LRT Value Uplift

Diagram showing the relationship between time and value, with lines indicating normal suburban development, TOD (Transit-Oriented Development), and TOD uplift, and a start of TOD marker.
Approaches to Funding Public Infrastructure

Allen Consulting group examined 6 approaches;

1. State taxes
2. Residential rates
3. Government debt
4. User charges
5. Developer levies
6. Special Purpose Vehicles (PPP)

Government Debt and PPPs generate highest increase in GSP and employment; front loading infrastructure investment produces results while paying for it.
The Lane Cove Tunnel PPP had an estimated loss of $1 billion.

The north-west rail link in Sydney, a 23 kilometre line to service 300,000 people, will cost an estimated $8 billion to build, paying for it through a public private partnership.
The North Sydney railway station upgrade levy imposes a charge per m2 of additional floor-space constructed in the North Sydney CBD.
Redfern Waterloo – a flat percentage levy established under the Redfern Waterloo Authority Act, but set by regulation at 2% in addition to a further affordable housing levy.
SCIPs are Suburban Centre Improvement Projects. Since the program began in 1996, Brisbane City Council has completed 41 SCIPs across Brisbane to a total value of approximately $32 million.

Brisbane City Council pays the up-front cost of the improvement works and then recoups a percentage of this cost from property owners through a 'benefited area special rate'.

For example a $2.5 million project budget would incorporating a 50% special rate contribution. In this example, Council puts $2.5 million in budget. Property owners pay back $1.25 million over 10 years via a benefited area special rate.
The Chatswood Transport Interchange PPP created a new railway station and bus interchange along with a retail and residential complex that makes a small city around and over the station. It was created by selling the air rights over the station in exchange for the developer creating the station, bus plaza and pedestrian precinct around the station. The air rights were used to build two 50 storey apartment blocks that were sold off the plan.
Growth Area Bonds

1. Identify a suitable area (or GAB district) and establish a GAB authority
2. Prepare a growth plan for the area outlining its infrastructure needs and estimating the cost
3. Calculate the property tax revenues currently derived from the area
4. Issue bonds to fund the infrastructure works for the area (bonds can be government-backed or not)
5. Repay the bonds from the incremental increase in property taxes (above the revenue previously collected) generated by the new infrastructure and development in the area
6. Once the bonds are repaid, all property tax revenue for the area returns to the Government.
Tax Increment Financing

Figure 1
TIF Conceptual Model

- $ Annual Tax Revenue
- TIF Program Commences
- Tax Increment Revenue (Pays for TIF Improvements)
- Base Year Tax Revenue (Retained by Taxing Authority)
- Pre-TIF Tax Revenue
- New Tax Base (Retained by Taxing Authority)

Base Year
0 5 10 15 20
Years

TIF Program Ends
In 2009 the Queensland Government has committed $464 million to the Gold Coast Rapid Transit project, supplementing $365 million committed by the Australian Government and $120 million provided by Gold Coast City Council. This funding allowed the project to transition from the planning phase into procurement.

Value Capture (monetise land value uplift from GCRT) is being investigated;
• Around stations
• Use of unallocated State land
• Residual land sell off
Governance

Need planning, land assembly, infrastructure improvements, land purchase and related powers;
• Local vs State Government roles
• Redevelopment Authority
• Growth Area/TIF Districts
• WAPC Improvement Plan(s)

• Use of Form Based Codes – next topic!
Urban Coding

Use of Form Based Codes – next topic!