PIC – *Place-based Infrastructure Compact*

Unpacking the New Model Summary Paper

To read the full draft Paper and provide feedback on the new model, visit www.greater.sydney

November 2019
Better place-based planning

Great places are made of many elements – how well connected and walkable they are; how close jobs, local parks, shops and services are; how long it takes to get from ‘A’ to ‘B’; and how well-located schools and health service are.

The new Place-based Infrastructure Compact (PIC) model brings all these elements together through better planning. Most importantly, the PIC helps to ensure that great places are created as our city grows.

This new model will provide certainty that planning and investment in high transformation areas happens in the right way, at the right time and in the right places.

By better aligning growth with infrastructure and services, government – state and local – can afford to deliver quality outcomes for people and the environment.

The idea of the PIC came from our conversations with people of Greater Sydney, when we were preparing the Greater Sydney Region Plan A Metropolis of Three Cities.

Now we are asking everyone to let us know what they think about this new way of planning trialled in Greater Parramatta and the Olympic Peninsula (GPOP).

The PIC brings together government agencies, local councils and utility providers, to consider holistically what infrastructure and services are needed in a place before it can grow - to address existing problems and for when more people come to live and work in an area.

The PIC can also help us to understand who should contribute to paying.

To help answer these questions, three core elements needed to come together in the PIC model: collaboration, method and data.

Importantly, the PIC should not be viewed as a ‘black-box’ type model intended to predict service and infrastructure needs for communities. Rather, it relies on people working together and sharing information.

We piloted the new PIC model in the Greater Parramatta and the Olympic Peninsula area, the fastest growing area in Greater Sydney.

GPOP – Our true centre: the connected unifying heart – The Place-based Infrastructure Compact Pilot Summary Paper provides insight into outcomes of piloting the model in the GPOP area.

The PIC model is now being used as part of the Western Sydney City Deal to help shape growth in homes and jobs in the Western Parkland City, leveraging the new Western Sydney International (Nancy Bird Walton) Airport and Aerotropolis.
Unpacking the PIC model

The PIC model has three main components:

- **A collaborative approach** across government agencies, utility providers and local councils
- **A six-step method** integrating housing and job growth forecasts with the infrastructure needed to support them
- **A digital and data tool** to collect and help analyse a broad range of information from many different sources.

Collaboration is key to the success of delivering a PIC

State agencies, utility providers and local councils need to work together to consider and plan for the needs of an area undergoing major transformation.

This helps answer critical questions including:

- Where and when can homes and jobs grow?
- Can existing infrastructure be extended or improved, or is new investment needed?
- How much will it cost?
- How could it be funded?
- When should it be delivered?

The new PIC model

Over an 18-month period the Greater Sydney Commission brought together more than 20 government agencies, utility providers and local councils and over 100 experts to collaborate in developing the PIC model and a pilot for GPOP.
The six-step method

The method of developing a PIC can be summarised into six main steps:

1. Setting the vision and place outcomes, developing different scenarios and forecasting land use changes over 10, 20 and 40 years.

2. Identifying infrastructure needs and estimated costs by precincts under each of the scenarios.

To create scenarios, a PIC area is divided into precincts based on geography and the characteristics of each area. Housing and jobs growth forecasts are then prepared for each precinct.

Each scenario requires different levels of investment in new infrastructure and services to support it. This includes new and upgraded transport connections, green open space, schools, community health centres and clean waterways.

State agencies and utility providers analyse the infrastructure and service needs for each scenario and each precinct over 10, 20 and 40 years. The estimated costs and potential funding sources are also identified.

Scenarios were developed for the GPOP PIC Pilot to compare alternative futures for how GPOP could grow, responsive to different levels of infrastructure investment.

New dwellings and jobs for GPOP – 20 years

In the GPOP PIC Pilot we found that public transport and roads accounted for over 60 per cent of the total $20 to $30 billion of infrastructure needed for GPOP over the next 20 years under the ‘Transformative’ Scenario 3.

Capital costs by sector for GPOP – 20 years
We also found in the Pilot that infrastructure funding for GPOP would rely on a range of sources. The NSW Government would need to pay for at least 50 per cent of the infrastructure needed under the ‘Transformative’ Scenario 3.

### Identified funding sources for GPOP – 20 years

<table>
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<th>Source</th>
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<tbody>
<tr>
<td>NSW Government</td>
<td>50%</td>
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<tr>
<td>Developer contributions</td>
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<tr>
<td>Combination of NSW Government and Developer contributions</td>
<td>26%</td>
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<tr>
<td>State and regional</td>
<td>11%</td>
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<tr>
<td>Customer</td>
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</tr>
<tr>
<td>Other</td>
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The Commission has purpose-built a tool, we call ‘Co. Lens’, that stores the data, information and advice generated through the collaborative approach of the PIC.

It enables us to view, integrate and analyse information and data including population, dwelling and job forecasts, and service and infrastructure costs over 10, 20 and 40 years across all precincts.

Co.Lens is essential to developing and delivering a PIC, as well as the ongoing monitoring and reporting required to ensure the PIC remains current and useful to support decisions on land use and infrastructure investment.
To select the best possible scenario for a PIC area we look at the costs of infrastructure and services, and the benefits this provides to those who live, work, learn and do business there. These results are used to identify where and when growth, supported by the right infrastructure and services at the right time, can be cost-effectively ordered in a PIC area.

At this step a sequencing plan is developed for the preferred scenario.

The ‘Transformative’ and ‘Visionary’ scenarios for GPOP provided around double the net benefits of the lower growth and lower cost ‘Incremental’ scenario tested in the pilot PIC.

Net benefits for GPOP relative to the ‘Existing’ Scenario 1 – 40 years

The first NSW place-based Strategic Business Case was developed for the GPOP PIC Pilot. More than 100 priority proposals across seven sectors were identified for the next five to 10 years, that are subject to further investigation. This work will help to inform the NSW Government’s decisions about spending public funds through annual Budget processes.

Before making recommendations to the NSW Government, and proceeding to Step 5, implementing the PIC and Strategic Business Case through the land use planning system and NSW Budget processes, and Step 6, monitoring, reviewing and keeping the PIC up-to-date, we are seeking feedback on the work done so far on the PIC Pilot for GPOP.
The PIC model is designed to assist the NSW Government in making decisions around land use and infrastructure investment, as well as provide greater certainty to the community and industry.

A PIC and Strategic Business Case bring together Government’s land use and infrastructure decision-making processes. This is fundamental to driving and delivering better place-based outcomes for communities.

This means the proposed sequencing plan developed in a PIC would be reflected in strategic and statutory plans, including District Plans, Local Strategic Planning Statements and Local Environmental Plans.

The place-based Strategic Business Case forms an evidence-base from which priority proposals for a place can be considered by the NSW Government for funding.

To ensure the work in a PIC continues to be relevant, it would need to be reviewed at least every five years or:

- as land use plans are updated and development occurs
- at a point where major infrastructure decisions are made
- if market conditions or community preferences change.

Your feedback on the PIC will help to continuously improve the model.
What happens next?

The PIC model is designed to be used in other high transformation areas across Greater Sydney.

While the development of the PIC marks a significant change in place-based planning, there is scope to improve the model over time.

Tell us what we got right, what we missed and what we should add in the new model.

We will be inviting your feedback on the new PIC model from Thursday 7 November to Wednesday 18 December 2019.

Visit www.greater.sydney to learn more about our work, give us your feedback, or register for a feedback session.