



A Case for Works-in-Kind

May 2025

We are city-shapers.

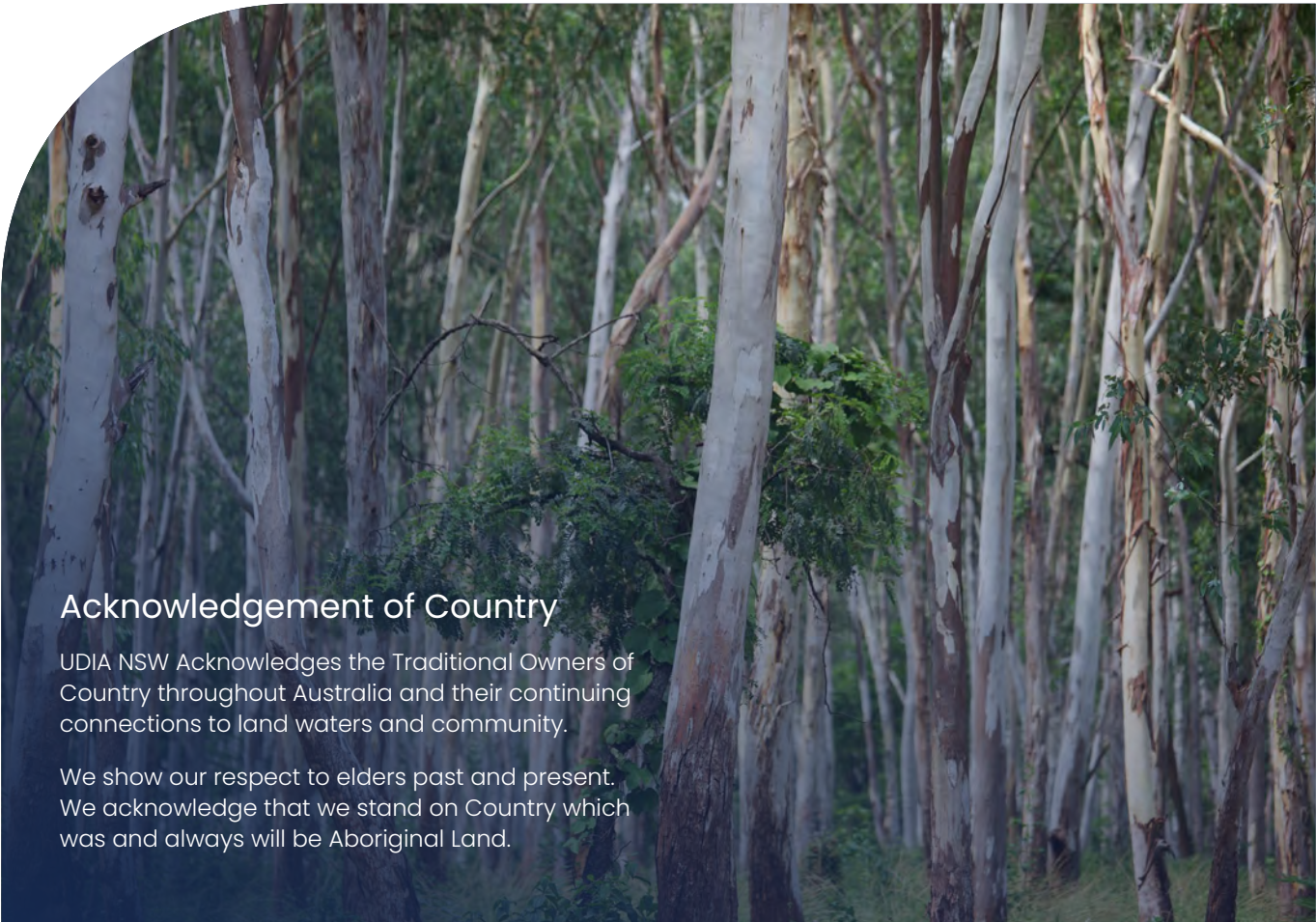
Urban Development
Institute of Australia
NSW

ASTROLABE
GROUP



Contents

| | |
|---------------------|----|
| Our Position | 3 |
| Glossary | 4 |
| Introduction | 5 |
| Recommendations | 6 |
| Foundations | 8 |
| Progress for Change | 20 |
| What's Next | 24 |
| References | 25 |



Acknowledgement of Country

UDIA NSW Acknowledges the Traditional Owners of Country throughout Australia and their continuing connections to land waters and community.

We show our respect to elders past and present.
We acknowledge that we stand on Country which was and always will be Aboriginal Land.

Our Position

NSW – and Australia – is facing a critical housing shortage. Industry and government of all levels must work with urgency to unlock development potential. This can only happen when the right infrastructure is in place, at the right time.

In NSW, we have mechanisms to make this happen, yet structural issues hinder our ability to optimise these mechanisms.

Works-in-kind agreements can help to address these issues. Works-in-kind mean developers provide essential infrastructure directly rather than make monetary contributions. This accelerates development timelines and shifts delivery risks away from government.

We see works-in-kind arrangements as an essential lever to meet NSW's obligations of 377,000 new homes by 2029 under the National Housing Accord. And we cannot afford delay or half measures – **our research predicts a shortfall of more than 150,000 homes against that 2029 target.**

Through our engagement with NSW Government agencies, we understand where the potential lies:

- The Housing and Productivity Contribution (HPC) is underperforming due to a structural mismatch between forecast and actual housing delivery.
- The assumed faster and higher-density development has not materialised, resulting in slower-than-expected collection and insufficient funds for critical growth infrastructure.
- Further, the HPC collects funding only after approvals are received and construction is ready – yet it does not support the upfront infrastructure required as a precondition for construction. Without this infrastructure, contributions cannot be

collected; without the contributions, infrastructure cannot be funded. We have a clear and critical funding gap.

- This limits the ability of HPC to support new housing, undermining its effectiveness.

The HPC can be an effective delivery tool if we enable timely works-in-kind arrangements. This would directly unlock development and induce housing supply at the right price points and locations.

This paper outlines 5 recommendations, informed by our engagement with government agencies:

1. **Allow approved development to capitalise on the use of works-in-kind now**
2. **Require the NSW Government to provide seed funding for the HPC to kickstart development and support a works-in-kind framework**
3. **Enable works-in-kind in defined opportunity sites to speed up housing supply after rezoning**
4. **Implement a basic works-in-kind framework now and mature the framework after the Accord period**
5. **Create a works-in-kind register as part of the Urban Development Program (UDP) to better coordinate housing development, land supply and infrastructure decisions**

Without infrastructure investment upfront, development stalls. Works-in-kind can address impediments to the current HPC scheme by enabling more efficient infrastructure provision and sending clear market signals of development certainty.

Immediate implementation of these recommendations will unlock development potential and help meet NSW's housing targets.

Glossary

| | |
|---|---|
| Housing Accord | A national agreement between governments and industry to boost housing supply, targeting 1.2 million well-located homes by 2029, including delivery of 375,000 houses in NSW. |
| Housing and Productivity Contribution (HPC) | A flat, state government charge on new housing developments to help fund essential infrastructure needed to support growth. |
| Infrastructure Opportunities Plan (IOP) | A plan that outlines 0–20 year growth expectations and infrastructure projects that will be eligible for funding to support housing and employment growth. |
| Low- and Mid-Rise Housing (LMR) | Seeks to diversify housing options by encouraging the construction of low to mid-rise dwellings within 800 metres of designated town centres and transport nodes across metropolitan Sydney, the Central Coast, Illawarra-Shoalhaven, and the Hunter regions. |
| Opportunity Sites | Significant sites in metropolitan areas that align with strategic planning objectives where industry is leading efforts, in collaboration with government, to unlock housing supply. |
| Special Contributions Area (SCA) | Designated geographic areas where special development contributions like SICs are applied to fund major infrastructure. |
| Special Infrastructure Contribution (SIC) | A targeted developer contribution applied in specific areas to fund key infrastructure projects that enable development. |
| Transport Oriented Development (TOD) program | An initiative that promotes sustainable, mixed-use development within 400 metres of selected metro and rail stations, aiming to create vibrant, walkable communities with improved access to jobs and services. |
| Urban Development Program (UDP) | The NSW Government's program for monitoring and coordinating housing development, land supply, and infrastructure delivery. |
| Works-in-kind (WIK) | Method through which developers deliver infrastructure projects directly, instead of providing monetary contributions. |
| Works-in-kind agreement | Agreement between government and developer to deliver WIK, which can involve the developer building or upgrading infrastructure such as roads, utilities, or other public facilities, or dedicate land to government to deliver infrastructure. |

Introduction

This paper, prepared by Astrolabe for UDIA NSW, draws from consultation with NSW Government agencies and key industry and council representatives.

It identifies 5 recommendations that can optimise works-in-kind as a mechanism for more efficient infrastructure delivery.

These recommendations are informed by agency perspectives and our deep understanding of the challenges and opportunities that NSW faces in the current housing crisis. If implemented, these recommendations will make a marked contribution to the NSW Government's ambitions for housing and productivity.



Recommendations

Works-in-kind advance the construction of infrastructure and speed of infrastructure provision, which supports communities and enables development of land for housing and industry. They are critical to meeting [NSW Industry Policy](#) objectives and [National Housing Accord](#) commitments.

Our 5 recommendations are informed by engagement with NSW Government agencies to understand the opportunities and the challenges associated with works-in-kind.

Our shared objective is to deliver housing and job opportunities for communities

Investment NSW's *NSW Industry Policy* focuses on NSW residents' access to safe, secure, affordable, well-designed and sustainable housing¹. The National Housing Accord, endorsed in August 2023², sets a target of 377,000 well-located homes by mid-2029, with 322,000 of these homes to be delivered in the Greater Sydney, Wollongong and Newcastle areas.

In addition, the *NSW Industry Policy* stresses the importance of supporting industry and manufacturing to promote a strong and sustainable economy which requires delivering employment lands alongside housing.

| | |
|------------------|---|
| Recommendation 1 | Allow approved development to capitalise on the use of works-in-kind now |
| Recommendation 2 | Require the NSW Government to provide seed funding for the HPC to kickstart development and support a works-in-kind framework |
| Recommendation 3 | Enable works-in-kind in defined opportunity sites to speed up housing supply after rezoning |
| Recommendation 4 | Implement a basic works-in-kind framework now and mature the framework after the Accord period |
| Recommendation 5 | Create a works-in-kind register as part of the Urban Development Program (UDP) to better coordinate housing development, land supply and infrastructure decisions |

Investment enables development and supports growth

Infrastructure must be programmed to enable development on rezoned land. The current fiscal environment means reduced state investment in growth infrastructure; this puts ambitions to boost housing supply at risk through a form of unintentional rationing.

Capital expenditure in infrastructure in NSW is projected to fall from around 3.3% of gross state product (GSP) in 2019-20 to just above 2% in 2024-25³. The overall infrastructure program is substantial, yet rising debt levels, cost escalation and delivery constraints create pressure to scale back investment, particularly in growth-enabling infrastructure. With funding now directed towards asset maintenance, the infrastructure needed to support new housing is delayed or unfunded.

So what is the answer? We believe NSW needs to diversify its infrastructure funding and delivery mechanisms – and we believe works-in-kind agreements are a practical solution to offset the reduction in direct government spend, particularly when tied explicitly to housing delivery.

By more actively leveraging works-in-kind, NSW can maintain momentum on essential infrastructure provision and support housing starts, even in this environment of constrained public investment.

This must occur alongside NSW Government seed funding for the HPC. Seed funding will enable early investment in growth infrastructure so that we can get more homes built and to market. And we should actively deploy works-in-kind as a core part of the delivery approach.

Works-in-kind is well-established. It is familiar to industry, NSW Government agencies and councils. It expands the pool of infrastructure delivery partners while reducing risk and accelerating delivery timelines.

To enhance the effectiveness of both the HPC and works-in-kind, we should engage with the Australian Government to explore how existing funding programs could be brought forward or redirected to support early investment and amplify state-led efforts.

Thinking beyond the next 4 years

Our measure for success should not be limited to funds collected, but rather based on tangible outcomes: new homes, new infrastructure and the ability to build more homes, sooner.

In a housing crisis and under the pressure of delivering on the Housing Accord, the system requires flexible and proven tools like works-in-kind. This can help us to move more rapidly towards the Accord target over the next 4 years.

Our recommendations think beyond the Accord targets. We know the HPC framework needs time to mature, and after the Accord period, we can improve collection mechanisms, refine forecasts and better align the HPC with where development is likely to occur.

In the interim, enabling works-in-kind is essential. It ensures infrastructure keeps pace with opportunity and reinforces our ability to unlock zoned land and meet our commitments. It provides a pathway to get NSW on track with housing and infrastructure.



Foundations

Five Actors

Five actors influence NSW's land use and infrastructure planning process. Their perspectives and objectives are paramount.



Residents and community

Residents are those who live in new housing, with the community including nearby residents and visitors. Both drive the need for development and are most impacted by a lack of infrastructure, increased delivery costs and delays to construction and servicing. Their needs and experiences shape the need for improvement and long-term success.



Treasury

Manages the accounting of revenues and expenditure and oversees allocation questions that are in the public interest.



Department of Planning, Housing, and Infrastructure (DPHI)

Identifies development locations and establishes policies that allow for different types of development. Provides development activity and forecast information to state infrastructure agencies to inform infrastructure programming.



State Infrastructure Agencies including Transport for NSW and NSW Department of Education

These agencies are responsible for the planning, delivery and management of their infrastructure networks and portfolios. Growth infrastructure is just one aspect of what these agencies need to deliver from their budgets as they have many calls on capital, e.g. replacement of infrastructure in existing areas.



Developers

Build new homes, workplaces and communities and interact with government to obtain planning changes or development decisions. Help to fund infrastructure through contributions, with the ability to more efficiently build that infrastructure and de-risk the timing of their development.

Housing, Infrastructure, and Funding

We need to expand supply side capacity and delivery

The [NSW Housing Accord Progress Report Q1 2024](#), forecasts that NSW will be 150,000 homes short of its 377,000 by 2029 target⁴. Production rates have slowed below average and we estimate an 11% decline in new dwelling production in 2025⁵. We need fundamental improvements to advance the current outlook and meet national supply demands.

We must optimise the tools that are in place to accelerate supply; if we don't, housing production will slow due to limited capital programming, limited delivery capacity and unnecessary duplication in due diligence and delivery processes by government and industry.

Funding for growth infrastructure

Infrastructure agencies face competing funding priorities, including for critical areas like safety. Without an advocate for growth-related infrastructure, we see a real risk that infrastructure enabling housing development will continue to be pushed out of already stretched budgets. Relying on developers to fund infrastructure alone will not sustainably unlock the investment needed to support housing supply.

Insufficient allocations towards growth infrastructure slows the rate of housing construction. This is unreasonable in a housing crisis. To date, funding collected through the HPC is well below forecast and insufficient to fund the enabling infrastructure that supports development.

The NSW Government uses the **Housing and Productivity Contribution (HPC)** to fund essential infrastructure in rapidly growing areas like Greater Sydney, Illawarra-Shoalhaven, Lower Hunter and the Central Coast. Introduced in late 2023, it streamlines state contributions for infrastructure as one flat regional charge.

This contribution applies to new residential, commercial and industrial developments, with funds allocated to projects such as schools, hospitals, major roads, public transport and regional open spaces. As a consistent and predictable funding mechanism, the HPC aims to support new housing and economic opportunities, ensuring that as communities grow, they receive the necessary infrastructure to maintain a high quality of life⁶.

The HPC is a contribution, not full cost recovery. It is intended to partially offset infrastructure costs. Governments must still fund and build growth infrastructure, particularly upfront, to initiate development and unlock the flow of private investment and contributions.

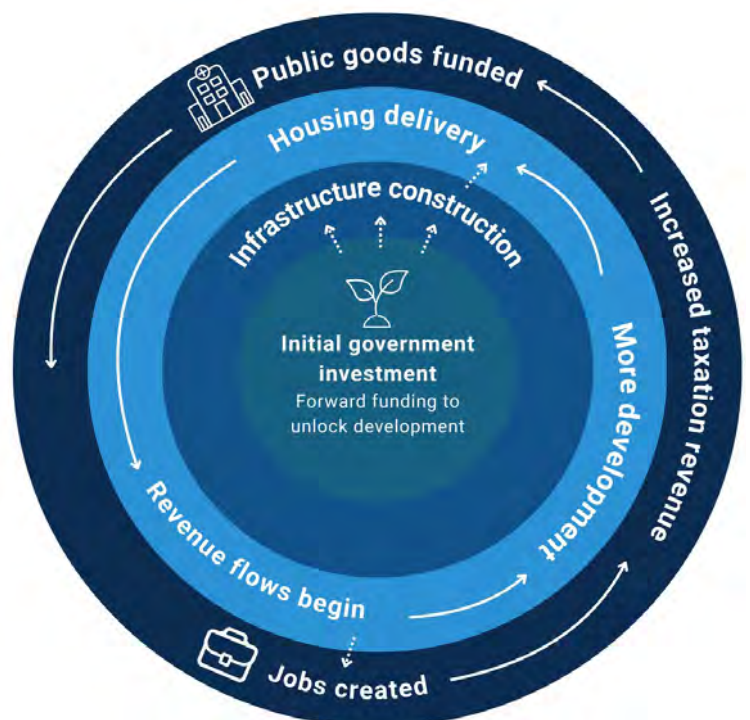


Investment in infrastructure and construction fuels further funding for delivery

Development needs infrastructure. Infrastructure needs funding. Activity is generated by an initial investment. A small, strategic injection of seed funding unlocks housing, jobs and public returns, creating a self-sustaining growth cycle.

The current model depends on contributions from development to finance infrastructure, but development itself cannot proceed without that infrastructure in place. Without initial seed funding to kickstart delivery, development activity, taxes and charges do not move through the system. This stalls the ability to program infrastructure.

Coordinated investment from government and industry needs to start with strategic seed financing where costs are recovered as development occurs. This must be supported by a compelling investment case that identifies priority locations, articulates demand and aligns with broader policy and fiscal objectives.



Case study: The benefits of residential development

Deicorp's Tallawong Village (left) will provide nearly 1,000 residential units, 9,000 sqm of commercial and retail space, and new open and public spaces. As a single development it will generate \$1.7 billion in total economic output and create 5,530 job opportunities.

- \$1 million of residential building construction output supports 9 jobs across the economy⁷
- \$1 million of investment in residential building construction creates \$2.9 million worth of economic output⁸
- New residential development generates revenue for government through fees, land tax and stamp duty from property transactions



Development and infrastructure sustain communities and productivity

Housing development generates demand for infrastructure such as roads, water supply, sewage systems, electricity and telecommunications. As new homes are built, supporting infrastructure is expanded or upgraded. New or growing communities also need schools, hospitals, public transport and recreational facilities.

Industrial and employment development also creates jobs and sustains economic growth. These areas require early infrastructure investment such as roads and intersection upgrades, utilities and digital connectivity.

Without sufficient infrastructure investment for both new homes and new jobs, development can strain existing systems. This could see communities facing traffic congestion, service shortages or the opportunity for employment areas near where people live. This undermines quality of life and balanced city growth.

We need an enabling ecosystem

The housing supply process extends beyond construction to include land acquisition, approvals, financing and access to infrastructure. These intangible steps are inherently risky, time-consuming and costly, with delays often causing 'cascading failures'.⁹

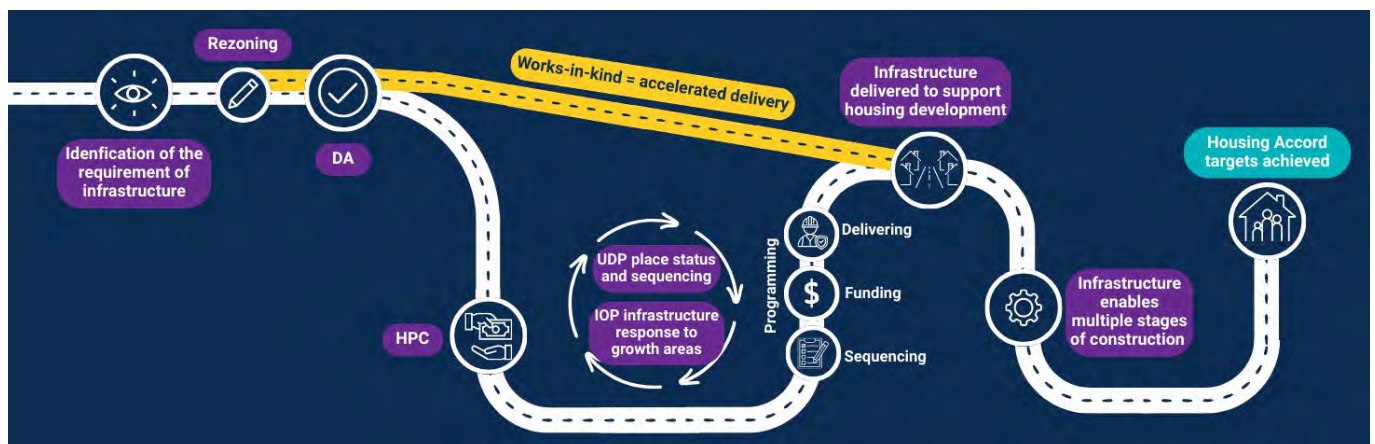
According to the Productivity Commission's 2025 [*Housing construction productivity. Can we fix it*](#), the deficit in housing production is, in part, driven by complex and slow approval processes that hinder development. A key inefficiency – infrastructure delivery – comes from continued delays after approvals, which increases costs and disrupts project timelines.¹⁰

Reviewing how we leverage infrastructure contributions and delivery tools in partnership between government and industry to enable development will improve the current outlook. The current system for infrastructure contributions works against national targets by preferencing excessive systems of regulation over development. We need a fair and efficient way to fund and provide infrastructure.



The Case for WIK

Works-in-kind is an accelerated delivery tool that transfers delivery risks and resourcing costs away from government.



Developers build infrastructure projects directly, instead of providing monetary contributions¹¹ through a works-in-kind agreement between government and developer. The developer may build or upgrade infrastructure such as roads, utilities or other public facilities, or dedicate land to government for infrastructure.

Works-in-kind supports the enabling infrastructure that must be in place to unlock development – and that NSW Government agencies and councils have a finite capacity to fund and build.

When scoped in a well-written agreement with clear accountabilities, works-in-kind are a cost-efficient and timely delivery mechanism.

- The developer leads the design and construction of infrastructure related to their development site, **redirecting the resourcing allocation, delivery risks and costs away from government.**
- The developer can **plan, design and deliver infrastructure in shorter timelines** compared to agencies or councils.

Economies of scale, better integrated design and place outcomes

Works-in-kind are typically constructed alongside site development works. This takes advantage of economies of scale, meaning infrastructure can often be in place sooner and less expensively than by government.

This is more than just efficient – it boosts integrated and sustainable communities and fosters better place making by coordinating infrastructure and services alongside development.

A tried and tested tool

Western Sydney councils have used works-in-kind agreements to provide infrastructure in growth areas for two decades. This approach has reduced resourcing strain, particularly where the pace of growth has been significant.

Securing land for public use

Land dedication for future public uses or infrastructure provides an alternative to infrastructure works-in-kind. Land dedication means the NSW Government or councils avoid acquiring land later at greater cost, avoiding the higher cost of land once development contributions are collected.

Early acquisition of land by government can also signal to the market intentions for an area, increasing the market's confidence and facilitating more rapidly development of new housing.

A reliable tool for Special Infrastructure Contributions (SIC)

We can see the value of works-in-kind agreements in the Western Sydney growth areas where many works under the former Special Infrastructure Contributions (SIC) were completed through works-in-kind rather than a monetary contribution.¹²

Developers completed \$491 million worth of works in place of cash payments since the Western Sydney Growth Areas SIC was established in 2011, around 20% of the value of cash SIC contributions paid by developers across the growth areas.¹³

The HPC replaced SICs across NSW and will phase out the remaining SICs for the growth areas and Western Sydney Aerotropolis by 30 June 2026.¹⁴

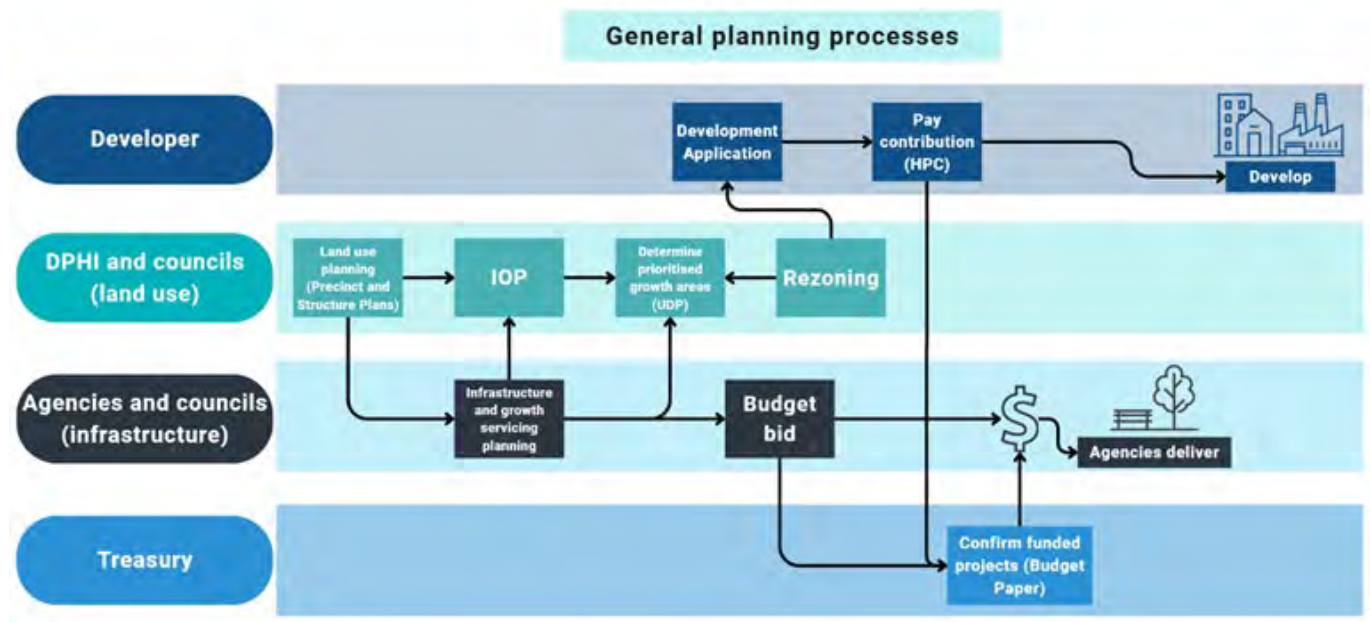
All former SIC areas had the option of works-in-kind agreements; this is now lost with the reframing of a regional contributions charge and the introduction of the HPC framework.

Enabling works-in-kind through the HPC guidelines will allow these efficient and trusted delivery methods to continue.



Land Use and Infrastructure Workflow

Forward Funding of Infrastructure



We see a sequential process starting from land use planning by the Department of Planning, Housing and Infrastructure (DPHI), to prioritised growth areas through the Urban Development Program (UDP) then rezoning.

Once land is rezoned, developers submit development applications; approved applications trigger the requirement to pay HPC. Infrastructure is only provided by agencies with HPC funding.

Simultaneously, agencies conduct infrastructure and servicing planning, submit budget bids and await confirmation of funding from Treasury for key infrastructure.

This process reveals a critical misalignment: collecting the HPC after development approvals contradicts the need for infrastructure investment upfront to enable development. The subsequent funding gap makes a case for forward funding.

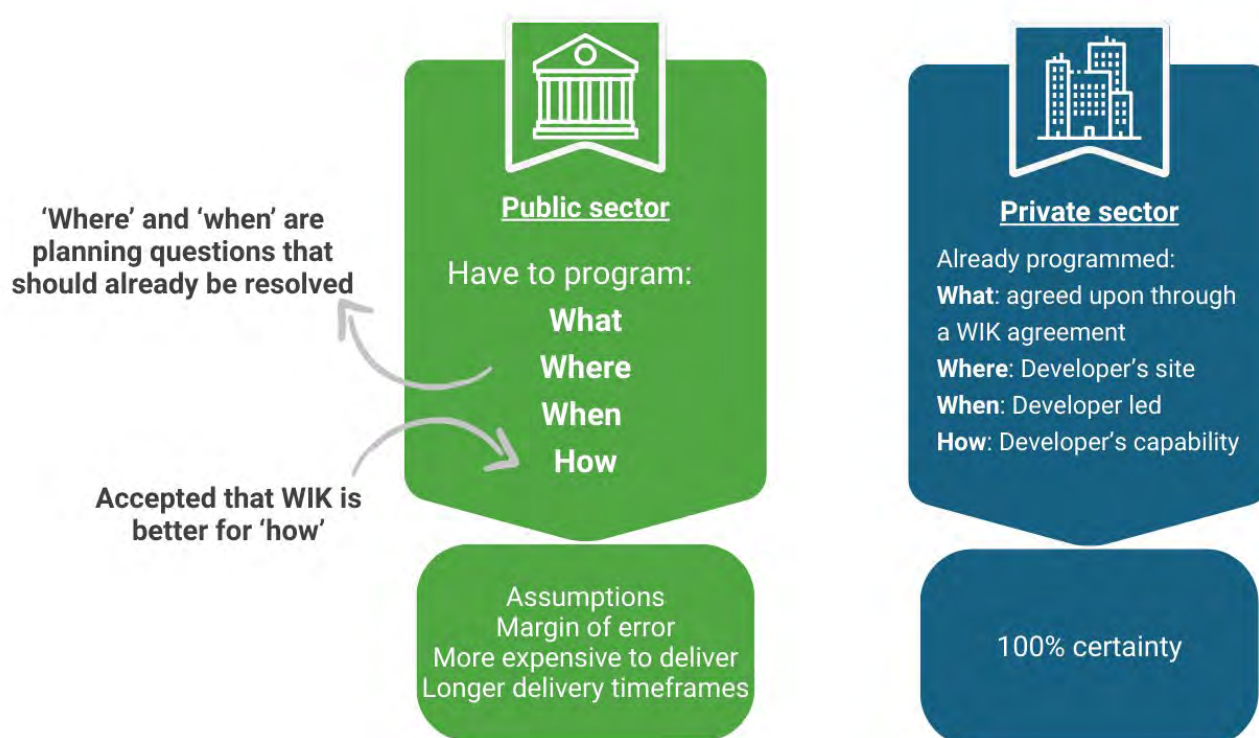
While works-in-kind arrangements enable private investment decisions to provide infrastructure outside the government budgeting process, they don't resolve the systemic funding shortfall.

We need a dedicated external financing mechanism that enables early infrastructure to unlock development potential and better align planning, finance and delivery. **Without forward funding, it is impossible to activate development at the pace and scale required to meet Housing Accord targets for NSW.**

The importance of works-in-kind in supporting growth

Works-in-kind provides certainty for both government and developers by providing the right infrastructure in the right place at the right time. Infrastructure is only provided when development is ready, minimising risk of overbuilding or stranded assets. Utility providers benefit from lower risk and reduced delivery costs.

100% developer-led certainty and strong signals to the market



There's a distinction between the private and public sectors in providing enabling infrastructure.

The private sector is well-positioned to continue building local infrastructure directly related to development through works-in-kind. However, effective coordination between the 2 sectors is essential.

The way government understands and prioritises growth shapes infrastructure investment. Tools such as the UDP help us monitor land supply and assess infrastructure readiness across growth areas. The public sector can identify where investment should be directed to unlock development potential.

In this context, works-in-kind agreements can serve as a strong indicator of development certainty. When developers commit to infrastructure through works-in-kind, this signals project progression and the clear demand for supporting infrastructure.

Recognising and responding to these signals can help NSW Government agencies and councils to coordinate their investment priorities and align with areas of demonstrated market activity and need.

Growth and Housing Supply Opportunities

NSW Government acceleration initiatives such as the Transport Oriented Development (TOD) program and low-and mid-rise (LMR) housing policy aim to generate housing supply. To support these efforts, works-in-kind can create an assured and lower-risk delivery framework.

More supply opportunities

The TOD program promotes development close to major transport hubs and town centres. It applies to 8 priority station areas and a further 37 locations, facilitating the development of mid-rise housing and commercial spaces near key transport hubs.¹⁵

The LMR policy seeks to encourage low to mid-rise dwellings within 800m of designated town centres and transport hubs in Sydney, the Central Coast, Illawarra-Shoalhaven and the Hunter.¹⁶ It aims to bridge the gap between freestanding homes and high-rise apartments, offering more choices to accommodate various lifestyles.

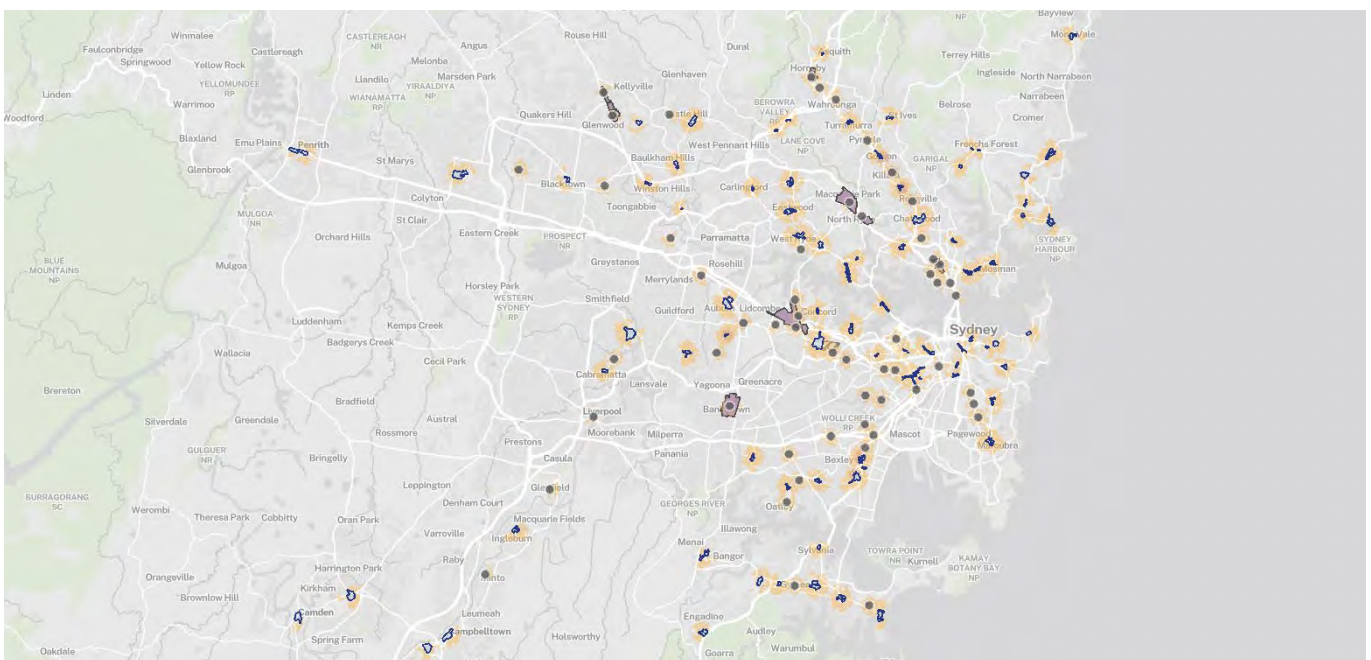
Collectively, these initiatives promote higher density development in important areas, enhancing the use

and capability of existing infrastructure, supporting sustainable growth and enable accelerated planning.

If we are to realise the benefits of these planning interventions, we need access to tactical infrastructure delivery tools such as works-in-kind that can respond quickly to emerging development opportunities.

Relying solely on annual budget processes constrains agility, as infrastructure planning cycles tied to yearly funding envelopes cannot keep pace with market dynamics. This challenge is especially acute in areas where land is zoned ahead of infrastructure programming, creating a misalignment that risks stalling development momentum.

We have multiple growth fronts thanks to these initiatives; we must now be agile if we're to respond to development activity and create great places. The long planning periods required to collect and validate information across government agencies within 12-monthly budget cycles will reduce opportunities to deploy investment towards infrastructure and add to delivery timeframes for places where industry is actively producing housing.



LMR and TOD sites in Greater Sydney

Opportunity Sites are major development-ready locations in metropolitan areas where industry is leading efforts, in collaboration with government, to unlock additional housing supply.

These sites represent significant private sector investment in land acquisition, precinct planning and rezoning activities. Certainty on the NSW Government's position on works-in-kind will support planning pathways and enable industry to develop 10-15 opportunity sites that have the potential to provide more than 80,000 new homes across established and greenfield areas once a site is rezoned, which will be additional contributions towards meeting NSW Housing Accord targets.

Opportunity sites in the planning system

We can accelerate the development of opportunity sites that are being master planned for rezoning through works-in-kind. These opportunity sites could create capacity for an additional 80,000 new homes; if we're to optimise these sites, they must be included in planning and decision-making frameworks so that industry and government can work together to build enabling infrastructure.

Without a works-in-kind approach infrastructure delivery will stall. This will limit housing development, delaying the progress of up to 33,000 homes for the Accord period in Western Sydney alone, and up to 110,000 homes in the following 5-10 years.¹⁷

Upfront investment

While the HPC scheme provides essential funding for infrastructure, it does not forward-fund infrastructure. Without initial capital, development cannot proceed at the scale or speed required.

We're facing an unprecedented housing delivery program, just as the availability of government capital for infrastructure is contracting. We need a source of public financing for infrastructure.

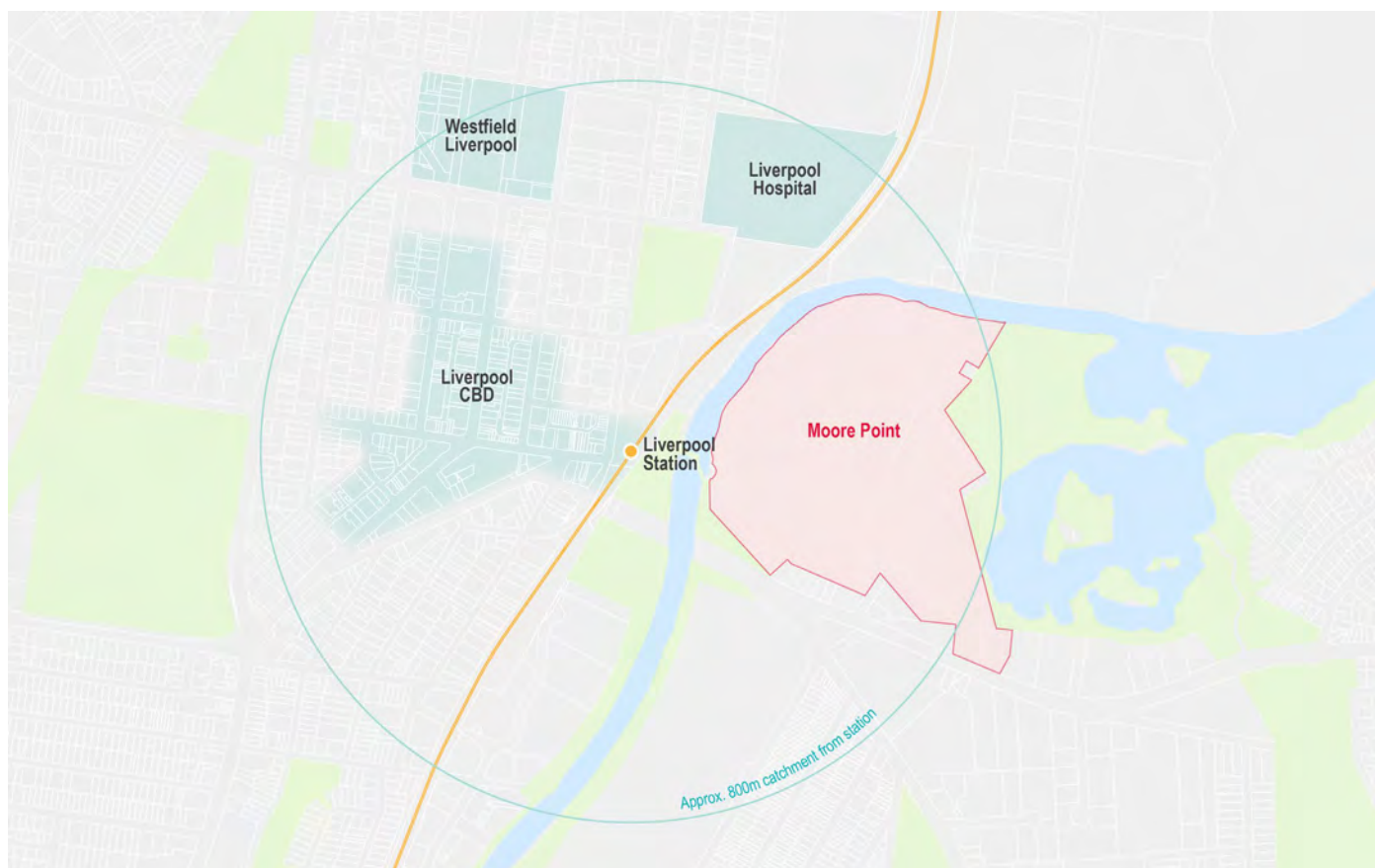
While works-in-kind arrangements can help to forward-fund infrastructure, they divert cash payments of HPC from broader budget allocation processes.

To better operationalise the HPC and works-in-kind, we believe the NSW Government should investigate external funding arrangements, such as a Commonwealth grants or loans, to provide upfront capital. Seed funding will initiate infrastructure project, with the HPC then recovering this initial investment and recycling of funds to initiate new infrastructure projects.

This could create a valuable opportunity to align NSW and Commonwealth efforts, ease fiscal constraints and accelerate housing development without compromising long-term budget sustainability.



Case Study: Moore Point, Liverpool



Description

Moore Point is near Liverpool CBD, Liverpool Train Station and Bus Interchange, and institutions such as Liverpool Hospital and major universities. It offers a unique opportunity to integrate housing, employment and innovation in a well-connected, high-growth corridor.

Proposed development

The precinct has potential for 11,000 new homes, approximately 346,00sqm commercial and retail floor space, re-use of significant heritage buildings for a new town centre, land for a future primary school and 10 ha of new public open space for a future population of 21,000 people.

The Opportunity

Allowing works-in-kind arrangements would enable developer delivery of key road intersections to provide access to the site and unlock development. Without them, the staging of development and pace of supply would be predicated on the ability of the NSW Government to provide the intersection upgrades and programming.

With consolidated land ownership under 2 landowners and coordinated master planning, infrastructure planning and design, infrastructure can be provided through a single agreement between the landowners and government.

Works-in-kind would unlock development potential at Moore Point and assure a shorter delivery timeframe, linked to construction and building works.

Case study: Keyhole Lands, Horsley Park



Description

Keyhole Lands in Horsley Park is located:

- near the M7 Motorway and The Horsley Drive
- near the established industrial and employment precincts of Wetherill Park and Smithfield
- adjacent to Western Sydney Employment Area and within the broader economic catchment of the Western Sydney Aerotropolis.

Proposed development

The proposed rezoning to IN1 General Industrial could create an industrial estate with general industrial, warehouse and logistic uses and capacity for up to 313,000 sqm industrial floorspace..

The Opportunity

The multiple individual landholdings requires coordination for integrated planning and infrastructure delivery. A works-in-kind arrangement would allow Transport for NSW to transfer resourcing efforts and risks around the acquisition of land for the full road corridor to the developer.

A lead developer could upgrade road intersections via works-in-kind to accelerate delivery of works and enable access to the site. Other landowners could then activate their sites for development.

Progress for Change

We recommend a staged approach to scaling and maturing any works-in-kind policy. This will:

- address financial constraints of the existing operating environment
- respect different perspectives
- support stability in development
- transparently manage complexities over time.

Phase One

Establishing: 2025

The establishing phase focuses on the immediate actions required to activate works-in-kind and advocate for necessary funding levers. This will enable works-in-kind to accelerate delivery in its current form, prior to the introduction of more detailed guidelines and formal reviews.

| | |
|------------------|---|
| Recommendation 1 | Allow approved development that to capitalise on the use of works-in-kind now |
| Recommendation 2 | Require the NSW Government to provide seed funding for the HPC to kickstart development and support a works-in-kind framework |
| Recommendation 3 | Enable works-in-kind in defined opportunity sites to speed up housing supply after rezoning. |



| | |
|--|---|
| When: timeframe for implementation | <p>2025</p> <p>Planning and infrastructure delivery agencies have experience and established protocols to implement works-in-kind.</p> <p>Works-in-kind show be allowed for zoned and approved development as well as opportunity sites.</p> |
| Where: sites where works-in-kind should be applied | <p>1. Zoned and approved development:</p> <ul style="list-style-type: none"> • Infill sites that require land dedication or augmentation • Existing greenfield sites that require enabling works • Approved development with an existing HPC obligation <p>2. Opportunity sites:</p> <ul style="list-style-type: none"> • At-scale brownfield renewal sites • At-scale greenfield development • Consolidated land ownership with a single lead developer leading master planning and staged delivery • Alignment with strategic planning objectives identified in state or local plans |
| How: scope of infrastructure works to be considered | <ul style="list-style-type: none"> • Where the developer is offering to build infrastructure as works-in-kind • Where the relevant NSW Government agency is supportive • Where delivery risks can be managed within an agreement and quality assured |
| Who: method for ensuring clear agreements | <ul style="list-style-type: none"> • Department of Planning, Housing and Infrastructure (DPHI): remains assessment body for a works-in-kind agreement to streamline and simplify process. • Treasury and state infrastructure agencies: coordinate to align the assessments with NSW Budget, UDP and infrastructure opportunities plans. |

Phase Two

Scaling: 2026–29

The remainder of the Housing Accord period, 2026–2029, is the **scaling phase**. This is the operational build-out phase, where early learning from initial implementation of works-in-kind can be reviewed and delivery using works-in-kind is scaled up.

| | |
|--|--|
| Recommendation 4 | Implement a basic works-in-kind framework now and mature the framework after the Accord period. |
| When: timeframe for implementation | Housing Accord period: 2026–29 <ul style="list-style-type: none"> Establish and embed a basic works-in-kind framework to enable immediate delivery aligned with Accord targets. Review early short-term implementation, refine works-in-kind processes, and scale up use across projects to maximise delivery outcomes. |
| Where: sites where works-in-kind should be applied | For development requiring a HPC (Greater Sydney, Lower Hunter, Central Coast, Illawarra-Shoalhaven). |
| How: scope of infrastructure works to be considered | <ul style="list-style-type: none"> Review works-in-kind use (post short-term implementation) in 2026 to identify bottlenecks and best practices. Review HPC estimates in NSW Budget to strengthen integration with budget and infrastructure programming. Focus on building works-in-kind literacy across agencies and strengthen delivery. |
| Who: method for ensuring clear agreements | <ul style="list-style-type: none"> DPHI: lead agency for framework design, approvals and coordination. Treasury: partner in aligning works-in-kind infrastructure delivery with state budget and capital planning. State infrastructure agencies: input on infrastructure prioritisation, assurance and delivery risk. Councils: coordination at local level for planning alignment. |

Phase Three

Maturing: 2030 onwards

The maturing phase shifts our focus to maturing the use of works-in-kind and developing formal guidelines to strengthen implementation and embed continuous improvement of the framework. This includes the evolution of the works-in-kind framework and register.

| | |
|--|---|
| Recommendation 4 | Implement a basic works-in-kind framework now and mature the framework after the Accord period. |
| Recommendation 5 | Create a works-in-kind register as part of the Urban Development Program (UDP) to better coordinate housing development, land supply and infrastructure decisions. |
| When: timeframe for implementation | Post-Housing Accord period: 2030 onwards |
| Where: sites where works-in-kind should be applied | All sites across HPC catchment areas: Greater Sydney, Lower Hunter, Central Coast, Illawarra-Shoalhaven. |
| How: scope of infrastructure works to be considered | <p>Maturing the works-in-kind framework:</p> <ul style="list-style-type: none"> • Formalise more advanced governance, assurance, and risk protocols as part of post-Accord maturity • Introduce a credit accrual system. Surplus credits act as a powerful incentive, encouraging developers to invest in delivering additional projects by allowing redemption of credits through future development activity. <p>Suggested components of a works-in-kind register:</p> <ul style="list-style-type: none"> • Register works-in-kind agreements as a data input to the UDP signalling investment in development activity. • Share works-in-kind data with Treasury, infrastructure agencies and councils to: <ul style="list-style-type: none"> • Inform budget bids • sequence of government-funded infrastructure • avoid duplication or gaps in infrastructure delivery • Establish feedback loops with councils and developers to refine templates and reporting processes over time. |
| Who: method for ensuring clear agreements | <p>Works-in-kind framework:</p> <ul style="list-style-type: none"> • DPHI: lead agency for framework design, approvals and coordination. • Treasury: partner in aligning works-in-kind infrastructure delivery with state budget and capital planning. • State infrastructure agencies: input on infrastructure prioritisation, assurance and delivery risk. <p>Councils: coordination at local level for planning alignment.</p> <p>Works-in-kind register:</p> <ul style="list-style-type: none"> • DPHI: accountable for the register and information inputs to the UDP. • The register will send signals to state infrastructure agencies and councils about development underway and where key infrastructure needs to be activated. |

What's Next



We see the immediate priority as **enabling works-in-kind** in already **zoned and approved developments** and **opportunity sites** that are primed for delivery. These early actions will get infrastructure built more rapidly, while providing critical insights to refine the works-in-kind framework over time.

We recommend applying works-in-kind through existing and established protocols. This will require NSW Government support, evidenced through seed funding or a loan facility that provides upfront capital.

This will optimise the HPC and allow the HPC to mature and establish as self-funding as contributions increase over time.

This will set the foundation for the scaling phase from 2026–2029, where works-in-kind can be expanded and systematised based on early learnings.

Post-2030, the maturing phase will formalise these efforts through detailed policy guidelines and a more robust works-in-kind register.



References

- 1 <https://www.investment.nsw.gov.au/why-nsw/resources/nsw-industry-policy/>
- 2 <https://treasury.gov.au/policy-topics/housing/accord>
- 3 [NSW Budget Papers 2024-25](#)
- 4 <https://www.udiansw.com.au/wp-content/uploads/2025/01/UDIA-NSW-Housing-Accord-Progress-Report-Q1-2024-1.pdf>
- 5 https://udia.com.au/wp-content/uploads/2025/03/State-Of-The-Land-Report-2025-Final-Report_.pdf
- 6 <https://www.planning.nsw.gov.au/sites/default/files/2023-05/housing-and-productivity-contribution.pdf>
- 7 <https://www.housingaustralia.gov.au/research-data-analytics/building-jobs-how-residential-constructions-drives-economy>
- 8 [ibid.](#)
- 9 <https://www.pc.gov.au/research/completed/housing-construction>
- 10 [ibid.](#)
- 11 <https://www.productivity.nsw.gov.au/infrastructure-contributions-review>
- 12 [View the NSW Planning page](#) for more information about the delivery of WIK agreements through SIC
<https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/special-infrastructure-contributions>.
- 13 Between January 2011 and September 2024
- 14 <https://www.planning.nsw.gov.au/plans-for-your-area/infrastructure-funding/special-infrastructure-contributions#-what-do-sics-deliver->
- 15 <https://www.planning.nsw.gov.au/policy-and-legislation/housing/transport-oriented-development-program>
- 16 <https://www.planning.nsw.gov.au/policy-and-legislation/housing/low-and-mid-rise-housing-policy>
- 17 <https://www.udiansw.com.au/wp-content/uploads/2025/04/UDIA-NSW-Western-Sydney-Building-Blocks-2025-Update-Report.pdf>

We are city-shapers.

Urban Development
Institute of Australia
NSW



T (02) 9262 1214 | E udia@udiansw.com.au
Ground Floor, 15 Castlereagh St, Sydney NSW 2000

www.udiansw.com.au