

GROWTH CENTRES (DEVELOPMENT CORPORATIONS) AMENDMENT BILL 2008

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Second Reading

The Hon. TONY KELLY (Minister for Lands, Minister for Rural Affairs, Minister for Regional Development, and Vice-President of the Executive Council) [7.46 p.m.], on behalf of the Hon. Michael Costa: I move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in *Hansard*.

Leave granted.

The Government is pleased to introduce the Growth Centres (Development Corporations) Amendment Bill 2008. The bill is an important step in the Government's commitment to delivering the land supply targets identified in the State Plan and the Metropolitan Strategy.

The bill will ensure that the Growth Centres Commission is better able to respond to the challenges of delivering land supply targets in the North West and South West Growth Centres and improving housing affordability for families.

The Commission is now well into its implementation phase of delivering on these targets. In December last year the Minister for Planning announced the rezoning of the first two precincts in the Growth Centres: Gran Park and Turner Road.

This announcement represented the rezoning of almost 12,000 lots in the south west together with town centres and employment lands.

The package dealt with the precinct wide management of heritage streams, riparian corridors and threatened species.

It also included a development control plan which will make about 65 per cent of dwellings in the precincts capable of being dealt with as complying development.

All of this has been achieved in just 18 months and is consistent with the aims of the current planning reforms to expand exempt and complying development categories and make it easier for home owners and builders to navigate the planning system

The 12,000 lots in Gran Park and Turner Road are in addition to the precincts already rezoned in the Growth Centres including 1,000 lots at Colebee and 7,500 at Edmondson Park. That is 20,000 lots in total.

It is also expected that more precincts will go on public exhibition in the coming months resulting in a further 20,000 lots being rezoned in the North West and South West.

This includes planning packages for the Riverstone and Alex Avenue Precincts providing around 15,500 lots and draft plans for North Kellyville which will provide for a further 4,500 lots.

As a result of these rezonings there are currently development applications for over 570 housing lots in the Gran Park and Turner Road precincts under consideration.

Construction is underway for the first subdivision in the North West growth centre involving the creation of 150 lots in Colebee.

As can be seen the Government has facilitated the bringing of finished land to the market in about three years from the commencement of the planning process compared to the usual seven to 10 years that would normally apply.

The Growth Centres Commission has also worked in close co-operation with local councils and State agencies in the Growth Centres areas to ensure that the lots created by these rezonings are appropriately serviced and supported by State and local community infrastructure.

Consistent with the Government's approach of achieving this goal whilst balancing housing affordability issues. The Growth Centres Commission has:

- reviewed regional infrastructure arrangements in the Growth Centres resulting in a reduction of State contributions from \$33,000 to just \$23,000 for an average block. This has been achieved without reducing the extent of infrastructure to be provided.

- The Commission has also worked in close co-operation with the Councils to review local contributions

arrangements. As a result of these discussions essential local infrastructure will be provided without imposing unreasonable local contributions. As an example, contributions in the Gran Park Precinct have been reduced from \$48,000 per average lot to \$30,000 per average lot.

It is important to note that the Growth Centres Commission would not have achieved its success to date without the close co-operation of the six Growth Centres councils: Baulkham Hills, Blacktown, Hawkesbury, Camden, Campbelltown and Liverpool councils.

As an example of the Commission's close relations with councils in its area, the Commission has long established Local Government Co-ordination Committees consisting of the Mayors and General Managers of the six councils. These committees

- enable local Government and community issues to be raised directly with the Commission
- enable the Commission to seek the views of councils to ensure informed decision making
- foster discussion about emerging issues in local communities and
- encourage a co-operative approach between State and local Government to achieve optimal outcomes in terms of economic social and environmental outcomes.

At the planning level the Commission works closely with its constituent Councils assisting them with resources to carry out the detailed local planning needed to deliver new sustainable communities.

Under the proposed bill amendments the Local Government Co-ordination Committees will continue in operation and the Commission will continue its productive ongoing working relationship with the Councils.

I now turn to the detailed provisions of the bill.

The bill makes amendments to the Growth Centres (Development Corporations) Act 1974. The Act allows for the establishment of development corporations for growth centres. Under current provisions a development corporation is established with a governing body or board. The Chief Executive of a development corporation is, along with other appointees, a member of the board.

There are currently four development corporations constituted under the Act:

- (i) Hunter Development Corporation
- (ii) Festival Development Corporation
- (iii) Cooks Cove Development Corporation, and
- (iv) the Growth Centres Commission.

All of the current development corporations are constituted with a board. There is no proposed change to the constitutional arrangements for the Hunter Festival and Cooks Cove Development Corporations.

The key object of the bill is to amend the Act to allow a development corporation to be constituted by one of two methods:

- (a) firstly, a development corporation governed by a board and
- (b) secondly, a development corporation governed by a chief executive.

The availability of these two models will allow development corporations to be constituted in a manner which best reflects the mission and goals of the particular corporation.

Having established its systems procedures and protocols and being firmly in its implementation phase, the Growth Centres Commission no longer requires the added guidance of an independent board.

To ensure the Government continues to roll out adequate supplies of zoned and serviced land, the Commission will be managed by its CEO, who will continue his crucial intragovernment co-ordination role commenced on start-up and continuing through this implementation phase.

It is appropriate that I take this opportunity to thank the members of the Growth Centres Board for their contributions to the success of the Growth Centres Commission during the start up phase. Their contributions created the foundations for ongoing success.

Whilst the members of the GCC Board played an invaluable role in establishing this broad framework, it is now imperative that the GCC work in close co-operation with Government agencies to ensure land supply targets are

delivered in a timely manner.

The GCC will report to the Minister for Planning through an advisory committee of senior public servants charged with responsibility for delivering the New South Wales Government's land supply targets identified in the State Plan and Metropolitan Strategy including the Directors-General of Planning and DECC the Secretary of the Treasury, the CEO of the RTA and the Co-ordinator General.

The changes proposed in the bill will not result in any reduction in the accountability requirements applying to the Chief Executive of the Growth Centres Commission.

Indeed he will be required to continue meeting accountability obligations under the Public Sector Employment and Management Act the Independent Commission Against Corruption Act and various other legislative requirements.

I now turn to the other key elements of the bill designed to simplify procedural requirements relating to the constitution and operation of development corporations which otherwise date from 1974. These are minor housekeeping amendments required because the existing Act provisions are outdated and administratively burdensome.

The Act provides for the establishment of a corporation by way of an order. Orders are also required to be made where a corporation is to be dissolved amalgamated or where the land to which a corporation applies is to be expanded or reduced. The current provisions can often require a multitude of orders and procedural steps to be undertaken.

The bill amends the Act to allow a single order to be made which

- constitutes or dissolves a development corporation
- changes its name
- alters the land to which it applies and or
- changes its constitutional arrangements from a board-governed to a chief executive-governed corporation.

This will reduce red tape by minimising unnecessary administrative steps and streamlining procedures under the Growth Centres (Development Corporations) Act 1974. It will also ensure that all relevant information in respect of a corporation is identified in a single Schedule to the Act.

The bill also includes provisions of a savings and transitional nature necessary to give effect to the changes outlined and other related amendments.

In closing the amendments to the Growth Centres (Development Corporations) Act 1974 made by this bill will ensure that the Growth Centres Commission is better able to concentrate on the task of delivering crucial land supply in the North West and South West growth centres essential to meet the needs of Sydney's growing population.

I commend the bill to the House.

The Hon. DON HARWIN [7.47 p.m.]: The Opposition does not oppose the bill. We recognise the need to facilitate the expeditious and appropriate release of land onto the market. Recent statistics reveal the dire situation in New South Wales and the alarming degree to which our State is lagging behind the rest of the nation. The Australian Bureau of Statistics Dwelling Unit Commencements report for the December 2007 quarter revealed a decline in New South Wales commencements for the third quarter in a row. New house commencements in New South Wales are now half that of Victoria and Queensland. The latest Housing Industry Association New Home Sales report, released on 30 April, showed that new home sales have dropped by 19.7 per cent in New South Wales, 10 per cent in Queensland, and less than 1 per cent in Victoria. New home sales in New South Wales are now roughly half what they were four years ago.

A major hindrance to development in New South Wales is the enormous burden of taxes and charges imposed on land by the current Government. The current fee structure is punitive and prohibits growth. The New South Wales Property Council has been tireless in highlighting these taxes and charges. A house in south-west Sydney that costs \$544,155 attracts State taxes of \$44,993. A house in north-west Sydney costing \$570,240 attracts State taxes of \$80,031. This amounts to one-sixth of the total cost of bringing the property to market. In contrast, a Gold Coast property worth a typical amount of \$390,000 attracts Queensland taxes of just \$15,876.

There are also significant anomalies between the on-cost of capital works, such as water and sewerage in New South Wales, and those for comparative developments in Victoria and Queensland. I am advised that as things stand with levies and section 94 contributions, the on-cost for a block of land in north-west Sydney is approximately \$160,000. This is more than three times the cost associated with a comparative block in Queensland.

The heavy burden of government charges and taxes is a critical issue that needs much attention and the bill does not address this. However, if it succeeds in its aspirations of facilitating expeditious release of land, it will contribute perhaps in a small way with costs. The bill seeks to amend the principal Act to allow the option of development corporations being constituted either as a corporation governed by a board, as is currently the

case, or as a corporation governed by a chief executive. Currently there are four development corporations: Hunter Development Corporation, Festival Development Corporation, Cooks Cove Development Corporation and the Growth Centres Commission. Each of these is run by a board, to which the chief executive officer reports.

In the case of the Growth Centres Commission, which is responsible for both the north-west and south-west growth sectors, the Government intends to have the chief executive govern the corporation. The chief executive will report to the Minister for Planning through an advisory committee of senior public servants responsible for delivering the Government's land supply targets. According to the Government, the chief executive management structure for Sydney's growth centres will facilitate streamlined decision making before the implementation phase following the establishment of the broad framework of principal land supply targets.

I note that the New South Wales Property Council, the Housing Industry Association, the Urban Development Institute of Australia and the Urban Development Taskforce have advised the Opposition that they are all in favour of the objectives of the bill. The Opposition does not oppose the bill but encourages the Government comprehensively and appropriately to address the greatest factor hindering housing growth in New South Wales—the high level of associated government taxes and charges. I commend the bill to the House.