

Submission
No 75

**INQUIRY INTO ENVIRONMENTAL PLANNING AND
ASSESSMENT AMENDMENT (INFRASTRUCTURE
CONTRIBUTIONS) BILL 2021**

Organisation: Sutherland Shire Council

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8 July 2021

NSW Parliament
Cate Faehrmann MLC
Planning and Environment Committee
Upper House Committee
Email: PortfolioCommittee7@parliament.nsw.gov.au

Dear Ms Faehrmann

RE: Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021

The Upper House Inquiry is currently examining proposed amendments to the Environmental Planning and Assessment Act 1979, as part of the NSW Government's broader reforms to the infrastructure contributions system. It is agreed that the system needs significant reform to provide a more sustainable infrastructure funding model for urban infrastructure.

For Sutherland Shire Council, the key issue is how to adequately fund infrastructure that enhances the liveability of neighbourhoods. Community expectations continue to change and grow, yet funding is more constrained than it was in the past. The Greater Sydney Commission District Plans and Local Strategic Planning Statements require councils to make 'great places' for people to live, work and recreate. This entails enhanced community infrastructure - public domain improvements to improve accessibility and make centres more attractive for residents, improved tree canopy to address urban heat, better access to open space to support active lifestyles, more diverse recreational opportunities to appeal to all ages and abilities, better access to sporting facilities to accommodate increased participation rates in organised sport, green grid and active transport links to reduce the reliance on private vehicles, biodiversity and sustainability initiatives. It is these qualities that make great urban places because they support socially connected and healthy communities.

While councils and the State are aligned in terms of what is needed to make great places for our communities, these initiatives require infrastructure improvements yet there are no funding mechanisms identified in any State plans. Council's rate base has declined in real terms, yet the population continues to grow and community needs have become more diverse. Councils require a growing source of revenue in order to fund infrastructure needed to meet contemporary standards of community amenity. Development contributions should be sufficient in monetary terms, and allow sufficient flexibility in application, to fund the investment needed to improve the liveability of neighbourhoods. If the goal of creating 'great places' is going to be realised. Councils are best placed to determine the local infrastructure necessary to meet the needs of community growth. Council does not support narrow definitions of works that can be funded by development contributions nor a "one size fits all" approach to plan making.

Council supports the alignment of contribution plans with the rezoning process. However, it is difficult to determine if the amendments are appropriate and whether they will in fact enhance the infrastructure contributions system. Much has been left to the Regulations, and the discretion of Ministerial Directions. What constitutes 'essential works' has not been defined

and accordingly the full implications of the Bill are uncertain. For example the implications of the changes allowed by 7.12 (5)(a), 7.16A, and 7.17(1) (a-h) are unclear.

Council supports the provisions of the Bill that introduce a land value contribution mechanism to improve efficiency and certainty for funding land acquisition – value capture. Contribution plans must therefore be aligned with the rezoning of areas and detail what is needed to create great places. However, unplanned or out of sequence owner initiated planning proposals can make it difficult to ensure that local area infrastructure needs are addressed in a timely and holistic manner.

The deferment of payment of contributions to occupation certificate stage has been in place since COVID measures were announced. Given the time it takes to construct new development, Council is yet to see if this new process is successful.

Council has recently made detailed submissions to NSW Planning Industry and Environment Development and the NSW Productivity Commission and these are attached for further information. Of note, it should be recognised that development contributions have less impact on housing affordability than the development industry asserts and should not be curbed due to industry pressure.

Should you require further information please contact me on _____, or
Senior Policy Advisor on _____ or email _____

Yours sincerely

Andrew Carfield
Director Shire Planning

