

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

**Organisation:** Orange City Council

**Date Received:** 9 July 2021

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9 July 2021

The NSW Legislative Portfolio  
Committee No. 7  
Planning and Environment  
Legislative Council  
Macquarie Street  
SYDNEY NSW 2000

Dear Sir/Madam

**ORANGE CITY COUNCIL'S SUBMISSION TO THE INQUIRY INTO THE ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (INFRASTRUCTURE CONTRIBUTIONS) BILL 2021**

**Introduction**

As a member of Orange City Council's Engineering staff, I, Andrew Lockwood, have been authorised to make this submission on behalf of Orange City Council which has been authorised by the Manager of Engineering Services.

Orange City Council has implemented a Development Contribution Plan (S94 & 7.11) since 2009, with reviews undertaken in 2012, 2015 and 2017. Council is currently undertaking a review of the 2017 Plan in parallel with the Orange Local Housing Strategy, with plans to implement the new S7.11 Plan in January 2022.

Development contributions form a vital income source for Council as part of annual growth based capital works program, crucial to achieving the objectives of its 20 year Long Term Financial Plan.

**Concerns Raised**

Orange City Council is generally supportive of the proposed amendments to this Bill in a broader context relating to proposed changes to the current system covered in the 29 recommendations out of the NSW Productivity Commission's review of Infrastructure Contributions in New South Wales, however, there is an area of concern to Council which we feel needs some discussion.

Council's are currently able to apply S7.11 Contributions for both Local Infrastructure Contributions and for infrastructure required as a result of population growth. In Orange City Council's case, roughly split up at 50% each maintaining the \$20K cap.

**Summary recommendation 3.1** explains how the Office of Local Government is progressing with changes to the rate peg, allowing for Council's discretionary income to grow with population and suggests a maximum increase varied amongst Councils of up to 8.9%. It is understood a methodology of application to councils would most likely be based on annual growth, however the final methodology of how this is to be calculated and applied Council to Council, is yet to be published.

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**Summary recommendations 4.6** in the review refers to the term “Development Contingent Costs” when explaining how Section 7.11 plans essential works list should only account for Development Contingent Costs. Council is concerned that this term will prohibit councils from being able to charge for works that are required as result of population growth reducing S7.11 income substantially. Council is also concerned the additional income likely to come from the rate peg increase will be far smaller than the reduction of S7.11 income relating to development contingent income leaving many councils unable to fund the required infrastructure to be delivered as a result of population growth and new development.

**Recommendation**

- That the Councils be informed of the proposed methodology for calculating additional population increase based rate income and allow time for Council’s to be able to make comments and suggestions in an attempt to minimise any funding shortfalls that may come about as a result of the limiting contributions to Development Contingent costs.

Yours faithfully

9/7/2021

Jason Theakstone  
**MANAGER ENGINEERING SERVICES**