

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

Organisation: LPG Holdings Pty Ltd

Date Received: 11 July 2021

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Ms Cate Ms Faehrmann - Committee Chair
PORTFOLIO COMMITTEE NO. 7 – Planning and Infrastructure
Parliament House
Macquarie Street
Sydney, NSW 2000

By Email: portfoliocommittee7@parliament.nsw.gov.au

Dear Ms Faehrmann,

RE: LPG SUBMISSION IN RELATION TO THE INQUIRY INTO THE ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (INFRASTRUCTURE CONTRIBUTIONS) BILL 2021

Thank you for providing an opportunity to offer comment on the Inquiry into the Environment Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021.

The following commentary on the Terms of the Inquiry is offered:

- **The Bill does not have the potential to make local contributions more efficient or effective and does nothing to reduce the complexity of the situation and also poses serious risks for the future of development in NSW.**

This Bill does not have the ability to clarify or simplify what is a complex issue and will simply serve to add another Land Tax onto property in NSW, which will undoubtedly incur additional charges for pre-development works on top of Council Rates, Land Tax and current Local and State Infrastructure contributions.

Such a move will ensure that there is significant increases in uncertainty and delays for development in NSW as developable land will be devalued and there will be less incentives for Vendors to sell land and for purchasers to develop land due to the reduction in potential profits.

In essence what is being proposed is a 'lose - lose' situation for all, as the public will be forced to wear increased costs in all future Land dealings while the private sector will have less incentive to engage in development activities due to the very real threat of lower returns and higher risks.

It is common sense to recognise that should development costs rise, these costs will eventually be worn by the NSW Public, as all increases will be passed on once Land has been developed.

Sydney already sets records for property price increases, and it will be the public who is penalised for the rising cost of development, with no real return in amenities or quality of life for the increase.

The proposed Bill will also seek to burden an already overburdened system, as there is a very real risk that the Land and Environment Court will be called upon to provide clarity, as the land value contribution would be an addition to the current system and merit appeals to the Land and Environment Court may seek to challenge the applicability.

If NSW wants to continue to be seen as a leader in Australia then it needs to ensure that future development is not crippled and made unviable.

Any and all future Bills must ensure that they will not seek to irreparably harm the NSW economy and stifle future development, and there is a very real and pressing risk that if changes are not implemented than that is exactly what this Bill will ensure will happen for future development in NSW.

- **How can new duties be implemented when there are already significant issues with existing duties, and what are the ramifications if similar issues occurs when new duties are implemented?**

This new Bill seeks to penalise all future Landowners by implementing additional duties in a system that is already overburdened by duties that are not fairly or equally applied.

The end result of any such Bill will seek to serve only two purposes:

- 1) Development will be stifled and,
- 2) Rising Costs will be passed on to all future landowners which will limit the potential for land ownership in the future.

Instead of seeking to reduce the likelihood of future development and avoid ever mounting costs being passed onto future land owners, why not review the existing system and ensure that current duties are being properly implemented?

As a Landowner we have identified a glaring issue whereby the Valuer General has been attributing wildly differing values between comparable properties, with no consistency being applied in the valuing approach.

What is concerning is the fact that Taxes and Rates are based off of these values, and in some instances residents, such as us, are being left financially disadvantaged by having their properties wildly overvalued, while other neighbouring and comparable properties are wildly undervalued within the same time period.

This sort of instability in the existing duty system shows that there is very real potential for improperly implemented duties to cause more harm than good, as when duties are incorrectly applied they penalised those that shouldn't be penalised.

The improper implementation of duties also destabilises the public's belief in the integrity of the system, as it highlights that the system is flawed and not in the best interests of the public.

Taxes upon taxes upon taxes do not benefit anyone, especially when existing taxes are already not being applied equally.

Inserted on the next page is a graph which details the issue of improperly applied land values, and it is noted that I have raised these issues repeatedly with the Office of the Valuer General and to date I have not received an explanation other than 'issues can occur' which is troubling.

Table 2. Land Values and Related Data from 2017 – 2020

Property #	Address	Size (Ha)	New Zone	Old Zone	Characteristics of the Property	2020	2019	2018	2017	Approx. increase % 2017 - 2020
2562236	821-849 Luddenham Road, Luddenham (Parent Property)	37.39	ENT	RU	Lightly undulating landscape, An Irregular Shaped Block, ENZ zoning on a small portion and no access or connection to services.	LV = \$28,000,000 \$/Ha= \$748,863.33	LV = \$28,000,000 \$/Ha= \$748,863.33	LV = \$11,000,000 \$/Ha= \$294,196.31	LV = \$2,850,000 \$/Ha= \$76,223.59	882%
4335174	823 – 849 Luddenham Rd, Luddenham (Child Property 1)	13.27	ENT	N/A	Lightly undulating landscape, An Irregular Shaped Block, Easement to access Property and no access or connection to services.	LV = \$9,100,000 \$/Ha= \$685,757.35	LV = \$9,100,000 \$/Ha= \$685,757.35	N/A as the children properties only came into existence on 10 December 2020		(Based on \$25 Million for both)
4335173	821 Luddenham Rd, Luddenham (Child Property 2)	24.12	ENT		Lightly undulating landscape, An Irregular Shaped Block, ENZ zoning on a small portion and no access or connection to services.	LV = \$15,900,000.00 \$/Ha= \$659,203.98	LV = \$15,900,000.00 \$/Ha= \$659,203.98			800%
3749377	480 – 544 Luddenham Rd, Luddenham	32.95	ENT	RU	Runs along a creek, E ENZ zoning on a small portion.	LV = \$20,000,000 \$/Ha= \$606,980.27	LV = \$20,000,000 \$/Ha= \$606,980.27	LV = \$9,680,000 \$/Ha= \$293,778.452	LV = \$6,050,000 \$/Ha= \$183,611.53	230%
2545495	2225-2239 Elizabeth Dr, Luddenham	10.14	ENT	RU	ENZ zoning on a small portion.	LV = \$5,750,000 \$/Ha= \$567,061.14	LV = \$5,750,000 \$/Ha= \$567,061.14	LV = \$3,520,000 \$/Ha= \$347,140.04	LV = \$2,200,000 \$/Ha= \$216,962.52	161%
2545484	1669-1723 Elizabeth Dr, Badgerys Creek	54.41	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$29,500,000 \$/Ha= \$542,179.75	LV = \$29,500,000 \$/Ha= \$542,179.75	LV = \$14,400,000 \$/Ha= \$264,657.23	LV = \$9,030,000 \$/Ha= \$167,064.88	224%
2545482	1669A Elizabeth Dr, Badgerys Creek	78.59	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$26,500,000 \$/Ha= \$337,193.03	LV = \$26,500,000 \$/Ha= \$337,193.03	LV = \$10,600,000 \$/Ha= \$134,877.21	LV = \$6,620,000 \$/Ha= \$84,234.63	300%
3149974	2111-2141 Elizabeth Dr, Luddenham	6.657	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$2,100,000 \$/Ha= \$315,457.42	LV = \$2,100,000 \$/Ha= \$315,457.42	LV = \$1,290,000 \$/Ha= \$193,780.98	LV = \$1,290,000 \$/Ha= \$193,780.98	62%
3149973	2143-2157 Elizabeth Dr, Luddenham	7.8	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$2,400,000 \$/Ha= \$307,692.31	LV = \$2,400,000 \$/Ha= \$307,692.31	LV = \$1,530,000 \$/Ha= \$196,153.85	LV = \$1,530,000 \$/Ha= \$196,153.85	56%
4181795	565 Luddenham Rd, Luddenham	107.1	B7	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$35,300,000 \$/Ha= \$329,598.51	LV = \$32,000,000 \$/Ha= \$298,786.18	LV = \$32,000,000 \$/Ha= \$298,786.18	Unknown	Unknown
4181793	180 Gates Rd, Luddenham	55.5	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$18,200,000 \$/Ha= \$327,927.93	LV = \$16,500,000 \$/Ha= \$297,297.29	LV = \$16,500,000 \$/Ha= \$297,297.29	Unknown	Unknown
2545490	1953-2109 Elizabeth Dr, Badgerys Creek	344.7	ENT	RU	Irregular Shaped Block	LV = \$87,000,000 \$/Ha= \$252,393.38	LV = \$87,000,000 \$/Ha= \$252,393.38	LV = \$34,000,000 \$/Ha= \$98,636.49	LV = \$18,300,000 \$/Ha= \$53,089.64	375%
3364766	1793-1951 Elizabeth Dr, Badgerys Creek	162.0 58	ENT	RU	Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$40,000,000 \$/Ha= \$246,825.21	LV = \$40,000,000 \$/Ha= \$246,825.21	LV = \$24,300,000 \$/Ha= \$149,946.32	LV = \$10,700,000 \$/Ha= \$66,025.74	272%
2545483	1725A Elizabeth Dr, Badgerys Creek	85.91	ENT	RU	ENZ zoning on a small portion.	LV = \$19,000,000 \$/Ha= \$221,161.68	LV = \$19,000,000 \$/Ha= \$221,161.68	LV = \$9,000,000 \$/Ha= \$104,760.80	LV = \$6,050,000 \$/Ha= \$70,422.53	214%
3471039	Luddenham Rd, Luddenham	25.61	ENT	RU	Extremely Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$5,400,000 \$/Ha= \$210,855.14	LV = \$5,400,000 \$/Ha= \$210,855.14	LV = \$3,360,000 \$/Ha= \$131,198.75	LV = \$2,100,000 \$/Ha= \$81,999.22	157%
2563486	885A Mamre Rd, Kemps Creek	181.9	ENT	RU	Extremely Irregular Shaped Block, ENZ zoning on a small portion.	LV = \$21,500,000 \$/Ha= \$118,196.81	LV = \$21,500,000 \$/Ha= \$118,196.81	LV = \$9,740,000 \$/Ha= \$53,545.90	LV = \$6,090,000 \$/Ha= \$33,479.93	250%
2562285	642 Luddenham Rd, Luddenham	129.8	ENT	RU	Irregular Shaped Block	LV = \$14,000,000 \$/Ha= \$107,858.24	LV = \$14,000,000 \$/Ha= \$107,858.24	LV = \$10,800,000 \$/Ha= \$83,204.93	LV = \$6,730,000 \$/Ha= \$51,848.99	108%

All Land Values and Information is as per the NSW Valuer General's Department for the periods between 2017 – 2020.

Please note the majority of the properties listed above do not have access or connections to Town Water / Septic and require Private Poles to Access Electricity.

*Key: *Ha = Hectare *LV = Land Value as Assessed by the Valuer General *\$/Ha = Dollar Value Per Hectare*

For reference my property (which was originally one title known as the parent property, and is now comprised of two child properties due to a subdivision which occurred in December 2020) is used to show just how wildly varying the fluctuations in value have increased between comparable properties, and in a 4-year period the value of my property supposedly increased by approx.. 850%.

You will note that two properties that are benefiting by having a lower value applied despite being comparable are Property #2563486 which is owned by Mirvac and enjoys a base rate of \$118,196.81 per hectare and increased in value over a 4-year period by approx.. 250% and Property # 2545490, which was owned by the Medich's with a base rate of \$252,393.38 and increased in value over a 4-year period by approx. 375%.

You will also note that the Medich property is the same property which recently made headlines for being sold in a deal worth approximately \$500 million dollars, so it is interesting that foreign investors were able to see a significantly higher value in the land than the expert property Valuers that are employed by the Valuer General's office.

I would also take the liberty of hazarding an educated guess that there is absolutely zero likelihood that our land would be eligible for the same kind of landmark foreign investment deal, so it would be interesting to obtain the reasoning behind why the Valuer General has consistently placed a much higher value on my property over that of the former Medich property.

These wildly differing values indicate that there is no consistency being attributed between comparable properties, and also indicate that there is a worrying trend whereby property owners are either significantly overpaying or underpaying Taxes and Rates based on the Value being attributed to their property.

It is worrying that there also appears to be a trend of undervaluing properties owned by major developers which would indicate that such individuals are being given a benefit by having to pay less for Taxes and Rates .

If the Valuer General cannot be relied upon to accurately apply comparable and reliable values to properties how can the public have faith in the system?

The Public relies upon the Valuer General to be able to accurately ascertain and provide guidance on the property market and property values, and if the Valuer General cannot be relied upon to carry out this function to ascertain the correct payment of rates and taxes how can we entrust the Valuer General to provide Values if and when Land Tax is implemented for all properties across the board?

The issue is also raised, if Land Values cannot be accurately applied across the board, what hope is there that Land Value Contributions can fairly and accurately be applied?

The more distrust created by the system the harder it will be for the public to have faith in any process being proposed and this is a problem that will worsen when more discrepancies are uncovered.

Parliament has a duty to ensure that Bills enacted do more good than harm, and it is noted that in its current state, as has been outlined in this submission, this Bill has the potential to do more harm than good, and so the committee must step in to rectify this issue before it is too late.

If NSW wishes to be viewed as a leader in the future it cannot be seen to be compliant with allowing such a Bill to be passed without significant amendments to ensure that Development will not be crushed for the future and to also ensure that NSW won't become unaffordable and unviable to live and work in.

I would be happy to assist the inquiry further if needed, so should you need clarification or further information in relation to the commentary above please contact me via email at

Yours Sincerely,



Wanda Vaknin
Company Director and Secretary
LPG HOLDINGS PTY LTD