

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

Organisation: Urban Development Institute of Australia NSW (UDIA)
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Portfolio Committee No. 7 - Planning and Environment
Parliament House
Macquarie Street
Sydney NSW 2000

Via email: portfoliocommittee7@parliament.nsw.gov.au

Dear Committee,

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

Urban Development Institute of Australia NSW (UDIA) is the leading industry body representing the interests of the urban development sector in New South Wales. We represent over 500 member companies that are directly involved in the industry including developers, Councils, consultants (engineering, planning, legal, environmental, design) and state agencies.

NSW is facing a housing supply and affordability crisis. This is leading to, among other things:

- Increased inequality.
- The squeezing of ordinary families who struggle to afford their rent or service their mortgage.
- A loss of jobs, especially for people whose natural strengths are not academic.
- Environmental damage through reduced energy efficiency and poor biodiversity protection.
- Increased traffic congestion and air pollution through unnecessarily long commutes.

The NSW current planning system exacerbates these issues and the existing infrastructure contributions system is one of the biggest problems. It completely fails to deliver the infrastructure that we need in a timely way to build the homes the people of NSW need to deliver a thriving sustainable state. Therefore, the UDIA has long campaigned for infrastructure contributions reform.

We were pleased that the NSW Productivity Commissioner recognised infrastructure contributions as a priority area for reform. UDIA does not support everything in the reform. For example, we believe the re-introduction of service charges for water infrastructure is a retrograde step, having previously been abolished because they created a large administrative burden without delivering more timely water infrastructure.

The Bill before you is an enabling bill. It makes the reform of infrastructure contributions possible. However, it is insufficient on its own to be confident that the reform will achieve its objectives and deliver more homes, reduce inequality and improve environmental outcomes. These outcomes will depend upon the detailed regulations that result from the legislation. In particular, the legislation provides no guarantees that the reform will lead to the delivery of infrastructure in a timely and cost-effective way – the key requirements to achieving the improvements that we all want to see. Ideally, we would have liked to have seen the enabling of Parliament's scrutiny powers through high levels of accountability and transparency included in the Bill, such as the publishing of quarterly updates on the contributions received, how they are going to be spent and delivery dates for infrastructure.

Therefore, as an industry, we are extremely nervous about the potential for this reform to go awry. The Regulations, are currently being worked on with stakeholder consultation. We are particularly concerned that

they could result in housing costs for ordinary families going up, exacerbating the housing supply and affordability crisis in NSW. At UDIA, we have decided to take the NSW Government at its word and give it the benefit of the doubt that it is committed to achieving the outcomes that the Productivity Commissioner has highlighted. We have received reassurances on this from both the Minister for Planning and Open Space and the NSW Treasurer.

Therefore, despite our significant reservations, on balance we are in favour of the legislation and urge you to pass the Bill. This will enable the NSW Government to put in place the detailed regulations that are required to facilitate a successful infrastructure contributions reform and start to reduce the many problems that the current system is creating for the people of NSW.

Yours sincerely,

Mr Steve Mann
UDIA NSW CEO