

Submission
No 97

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

Organisation: Tamworth Regional Council

Date Received: 11 July 2021

Legislative Council
Parliament of New South Wales
Macquarie Street
SYDNEY NSW 2000

Dear Sir/Madam

ENVIRONMENTAL PLANNING AND ASSESSMENT AMENDMENT (INFRASTRUCTURE CONTRIBUTIONS) BILL 2021

Ref: Ir/AS/GV/ Document Set ID 802949

Tamworth Regional Council appreciates the opportunity to comment on the *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021* (the Bill). Please see below a number of issues that Council would like to raise concerning the Bill.

The timeframe for considering the Bill and making a submission is extremely short being effectively seven business days and therefore inadequate for most Local Government Councils, particularly should council officers wish to consult elected members. Council requests that the process be put on hold until the financial implications, provision of further information to explain the implications and proper consideration of the Bill by all Councils can be undertaken.

Aligning contributions plans with rezoning

There appears to be some logic about development contributions accompanying planning proposals. However, the implementation of a contributions plan for the subject lands consequently impacts the operation of the overall Council contributions scheme. If the intention is to review the entire scheme each time a rezoning is undertaken the workload of processing the planning proposal and draft Council contributions scheme will be overwhelming for some Councils.

If the planning proposal fails to be approved in the expected form then the effort in developing the amendment of the contributions scheme will have been wasted. This is one reason why contributions plans traditionally follow rezoning so that the development yield is known and resources are not wasted unnecessarily.

Introduction of a land value contribution mechanism to improve efficiency and certainty for funding land acquisition

This appears to be significant but it is not really clear how this mechanism is expected to work. It is noted that the mechanism introduces an additional form of contribution being a *land value contribution*. More time and further detailed information is required to determine the likely impact of this process.

Encourage councils to forward fund infrastructure through borrowing and pooling funds

There is a significant cost shifting implication here whereby costs are shifted from developers to Councils and their ratepayers. This is a disappointing and unacceptable recurrent theme as most contributions plan already provide, or should provide, for the pooling of funds and so forth.

Defer payment of contributions to occupation certificate stage as a permanent provision beyond the COVID pandemic

Contributions plans generally do not block arrangements such as this. Councils are best placed to consider the implications of these deferrals. The administration of deferred contributions can be resource hungry and chasing contributions at occupation certificate stage is extremely problematic. Local Government's first responsibility is to its community (ratepayers) and the delay in income can potentially impact on infrastructure provision unless funded by rates or other means. Local communities should not be expected to forward fund such infrastructure.

Increase maximum section 7.12 fixed development consent levies

The concept of a broader calculation methodology for S.7.12 fixed development consent levies raises some concerns. If the aim is to remove the percentage calculation and impose some other mechanism there appears to be significant risk in regional areas (where profit margins are lower) that development could be stifled. The percentage levy approach has been in place for a significant period of time and is widely recognised and accepted.

Regional Infrastructure Contributions

Tamworth is not in a special contributions area though the transport contributions appear to be similar (or same) as the State Levies imposed in one Urban Release Area in Tamworth.

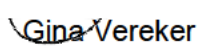
The adoption of strategic biodiversity contributions appears to be significant and further detail is required to determine the impact of such a mechanism in the Tamworth Region.

Local Strategic Planning Statement (LSPS) Review period

The amendment of the review period for LSPSs from 7 years to 5 years is noted.

Thank you for the opportunity to comment on the *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021* and should you have any questions please contact Council's Acting Manager Integrated Planning, Andrew Spicer, on the details below.

Yours faithfully


Director – Planning and Compliance

Contact: Andrew Spicer
Email:

11 July 2021