

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

Organisation: Central Coast Council

Date Received: 11 July 2021

25 June 2020

Improving the Infrastructure Contribution System

Thank you for the opportunity to provide a submission on the proposed changes to the Infrastructure Contributions system.

Council welcomes the review of Local Infrastructure Contributions with an aim to simplify the contribution system and provide greater transparency through clearer accounting and improved financial reporting.

Improving the review of local infrastructure contribution plans

Council supports an increase in the value thresholds that triggers the review process for section 7.11 Local Infrastructure Contributions plans.

Option 3 provides a simplified state wide approach, that supports the delivery of infrastructure (specifically in centres) through applying the same rate for both urban renewal and greenfield development. The introduction of a system to implement an annual adjustment of the review threshold will also assist the delivery of local infrastructure, although the Department of Planning, Industry and Environment should review the threshold on a regular basis to ensure it is keeping pace with the cost of infrastructure delivery.

Following the implementation of a revised threshold system, the existing exemptions to the review process (grandfathered contribution plans) should be phased out (over a 12-18-month period) to allow the review of plans to be completed if required.

The review of the IPART Terms of Reference and Practice Note and removal of the requirement for Council's to re-exhibit an IPART reviewed contribution plan will further simplify the process and improve transparency for Council and the community.

A review of the Essential Works List should also be undertaken as part of this process, to include infrastructure requirements for areas experiencing high growth outside of urban release areas.



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Areas undergoing urban renewal, that don't meet the employment requirements of the proposed s7.12 rate increase are unable to seek an increase in local infrastructure contributions as they often have different infrastructure needs to greenfield areas and are unable to meet the requirements for an IPART plan review.

These areas may not need to purchase land to provide infrastructure or have significant roads and drainage works but are required to construct social infrastructure such as community facilities, libraries, childcare centres, public domain works and higher levels of embellishment of existing open space which fall outside the Essential Works List.

Criteria to request a higher s7.12 percentage

The introduction of a criteria to request a higher s7.12 percentage is supported. A response to the discussion questions is provided below:

1. Should all the criteria be mandatory for a s7.12 plan to be considered for a higher percentage levy?

All the criteria should be mandatory except for C2.1 which should only apply to a request for a 3% levy. C1.9 and C2.2 could be facilitated/approved using the same process.

2. C1.2: Considering the different ways 'significant' employment growth can be measured, what would be the most effective?

The Central Coast Regional Plan does not provide specific employment targets for individual centres, only a forecast of additional jobs across the entire Central Coast and large growth corridors. Endorsed Local Strategic Planning Statements should be added to the list of approved Strategic Plans for consideration under C1.1, specifically where there are no district plans in place.

Significant employment opportunities are only part of the growth happening in centres and therefore areas of high residential growth and mixed use development (including tourism) should also be included in C1.2, rather than limiting this section to employment opportunities.

How is the increase in employment opportunities defined? Does it include jobs created through the delivery of infrastructure in the plan and short term construction jobs? Or is it only long-term post construction jobs? Employment opportunities should be considered on a case by cases, rather than having a pre-defined target or minimum percentage.

3. C1.9: Is this requirement necessary? Are there other mechanisms that would ensure ongoing monitoring and review?

Section 4.1 does not include the process for approval of the schedule of works when a higher levy is applied for in the first instance. Is the schedule of works reviewed and approved through this process, or does the schedule of works only need Ministers approval if it is being modified? Do all future changes need to be approved (C1.9), or is there a different process for minor/major amendments?

The inclusion of C1.9 should not be a deterrent for the timely review of contribution plans. The ongoing monitoring and review could be provided through annual reporting on s7.12 contribution plans, rather than works schedule amendments requiring Ministers approval.

4. C2.1: District level infrastructure remains generally undefined. Should the Department publish a list of acceptable district-level infrastructure items or should it be determined on a case by case basis?

District level infrastructure could be defined but there should be a merit process where works can be approved on a case by case basis. The definition for district-level infrastructure would need to be flexible enough to capture metropolitan, regional, coastal and rural Councils needs and not be limited to one numerical standard.

The definition should be related to the population it services and the need for the infrastructure rather than the type of infrastructure to be provided.

5. C2.1: Is 10% of the total value of the contributions an appropriate amount to be allocated for the provision of district level infrastructure? Should this be desirable rather than mandatory?

C2.1 should be desirable, not mandatory.

Clarification and further direction is sought on the following proposed criteria:

C1.4 – Are cycleways, shared pathways and active transport included in road, traffic and stormwater management costs or open space and public domain streetscape costs? These facilities are crucial to the health and wellbeing of communities and should be included as public domain works. C1.4 does not need to break infrastructure into categories or restrict the types of infrastructure that can be included in the contribution plan.

C1.5 – Is the intent of C1.5 to allow 0.2% of the total value of a contribution plan to be recouped for plan administration costs and included within the schedule of works in all s7.12 plans or just plans that have a higher maximum rate? The rate should be increased to 1.5% to be consistent with IPART's benchmark and the rate proposed in the draft SIC Guidelines for plan administration.

C1.9 – At what point in the plan review process would this review need to happen (pre exhibition)? Would it be similar to the IPART review process where there are adopted



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guidelines or facilitated between the Council and local office of the Department of Planning, Industry and Environment?

C2.2 - Is this a similar process to C1.9? Will the Minister also need to approve all future amendments to the works schedule?

The review of Section 7.12 contribution rates should also consider the 1% state wide levy within the broader review of contributions to ensure it is sufficient to deliver local infrastructure needs.

Draft planning agreements policy and framework

Planning agreements provide flexibility in the planning system to deliver innovative solutions to the provision of community infrastructure. They offer a means of tailoring site specific outcomes that may not be able to be delivered through local infrastructure contribution plans.

The draft planning agreements policy and framework provides welcome guidance on the preparation and implementation of planning agreements for Council, developers and the community. The draft documents need to strike a balance between providing suitable guidance without stifling the innovation and flexibility planning agreements were designed to provide.

Long term land use and strategic infrastructure planning greatly assists in the identification and delivery of priority community infrastructure, but it should not be the only way to identify infrastructure needs. The Central Coast local government area covers 1681 square kilometres and therefore Council's Local Strategic Planning Statement is unable to identify or predict all future infrastructure needs for the Central Coast community.

Council relies on the flexibility provided by planning agreements to deliver site specific and innovative infrastructure outcomes that have not been identified in Council's long term strategic plans.

The Planning Agreements Guidelines and Framework should capture all the requirements for planning agreements in NSW, including planning agreements relating to mining activities.

Special Infrastructure Contributions Guidelines

Special Infrastructure Contributions (SICs) are important in the delivery of regional infrastructure and the proposed guidelines will assist in the preparation and implementation of these plans.

SICs should be prepared in the same way s7.11 local infrastructure plans are, with an importance placed on nexus, apportionment and infrastructure delivery. SICs should include detailed infrastructure plans that outline the scope, location, cost and timing of each individual project and not just broad categories of infrastructure delivery.

The requirements for annual reporting on the collection and expenditure of funds should also be expanded to be consistent with what is being proposed for local infrastructure contributions in the amendments to the Environmental Planning and Assessment Regulations 2000.

Proposed amendments to the EP&A Regulation

The proposed changes to financial reporting will provide a clearer picture of how Council collects and expends local infrastructure contributions. Although the changes to financial reporting will likely draw on information Council holds in their financial management systems, changes in financial reporting takes time to implement across Council (often requiring IT changes) and therefore staff will require lead in time to change the way Council captures and reports on Local Infrastructure Contributions and planning agreement, specifically in relation to non monetary contributions (land and works in kind).

Council notes the proposed changes to Section 25K in relation to the maximum levy rate applicable in the Gosford City Centre and notes its consistency with the Gosford City Centre Special Infrastructure Contribution.

Council supports the review of the Local Infrastructure Contribution system and notes this review is only one part of the puzzle. The outcome and recommendations of this review should not be considered in isolation but should await the recommendations of the Productivity Commission Review, prior to the implementation of key changes.

Yours faithfully



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