

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

Organisation: Liverpool City Council
Date Received: 9 July 2021

The Director
Portfolio Committee No. 7 - Planning and Environment
Parliament House,
Macquarie Street,
SYDNEY NSW 2000

by email: PortfolioCommittee7@parliament.nsw.gov.au

To the Director,

**Re: Inquiry into the Environmental Planning and Assessment Amendment
(Infrastructure Contributions) Bill 2021**

I am writing in response to the Upper House inquiry into the *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021*.

This letter is Liverpool City Council's submission to the Inquiry. We request that our submission be published in full.

Recommendation

Council recommends that no decision is made on the Bill until the necessary additional information is considered.

Background

Liverpool City Council (Council) administers a large and growing Local Government Area with a population of 230,000 and is responsible for delivering in excess of \$1b in local infrastructure including local roads, stormwater infrastructure, open space and community facilities through the infrastructure contributions system.

Council is also preparing the Joint Local Infrastructure Contributions Plan for the Western Sydney Aerotropolis in cooperation with Penrith City Council which will deliver an additional \$2.4b in local infrastructure projects in the Western Sydney Aerotropolis.

Given the rapid and high growth of our LGA, the reforms proposed by the Bill will have a major impact on Council's delivery of public services through the local infrastructure contributions system.

Although Council generally supports the principles of the proposed amendments, we are concerned that implementation is already being carried out before the necessary details have been published and understood by Council and other stakeholders, including this Committee.

Key issues

Council's recommendation is based on the following key issues:

1. The amendments to the Regulations have not been released.

The Bill moves to amend the *Environmental Planning and Assessment Act, 1979* (EP&A Act) as well as the *Environmental Planning and Assessment Regulation, 2000*. The Regulation contains the detail for Council's implementation of its contributions system. As the amendments to the Regulation have not been finalised and released, all stakeholders, including Council, are unable to quantify the full extent of this reform.

There is a very real concern that changes included in the future Regulation, enabled by this Bill, will have significant negative impacts on Council's ability to deliver local infrastructure and ensure an appropriate level of amenity and safety for its community.

If the Regulation was produced in conjunction with the Bill, all stakeholders, including Council and this Committee, would be able to make informed decisions on the efficacy of the changes and ensure that the changes are meeting their objectives.

2. The relationship with other scheduled reforms is unclear.

The amendments are mainly driven by the recommendations of the Productivity Commission on the entire infrastructure contributions system. While all the recommendations are interrelated, the roll-out of these reforms is being done in an ad-hoc manner.

It is also unclear when these other reforms will be rolled out and whether these will be embedded into the Regulation amendments or will be passed via another mechanism (i.e. a Practice Note, another Regulation amendment at a later stage, etc.).

As alluded to above, these reforms should be progressed more as a package to ensure that there is a full understanding of the benefits to the infrastructure contributions system and informed decision making.

3. Councils are not being given clear and sufficient timeframes to respond and adapt to the reforms.

DPIE have expressed that the amendments in the Bill will be implemented by July 2022, with exhibition (it is unclear what will be exhibited) occurring in November 2021.

It is also unclear whether implementation will start immediately on 1 July 2022, or if it will be a tiered rollout similar to when the cap on Contributions Plans was lifted. The inclusion of savings provisions and grandfathering of existing Contributions Plans will ensure a smoother transition to the new framework entertained by this Bill.

Key questions

Among the amendments proposed in the Bill, the introduction of land value contributions, and the changes to Section 7.12 contributions will have the most impact on the delivery of local infrastructure for local communities. Council still has significant questions about the Bill, which illustrates how the lack of detail prevents all stakeholders in making informed comments and decisions on the Bill.

The key questions for Council on these important reform elements include:

- **Land value contributions**

- In terms of the value generated, what is the difference between land value contributions and the contribution Council already collects towards funding land acquisition?
- Will existing residents (through rates) need to subsidise land acquisition to support growth?
- Will Contributions Plans still be subject to IPART assessment when land value contribution areas are created?
- What criteria will IPART use in assessing land value contributions?

- **Section 7.12 contributions**

- Will s7.12 contributions still be based on a percentage of development costs?
- If the new system is to be based on a fixed amount per development type instead (as foreshadowed in the Productivity Commission recommendations), will Councils still be able to apply to the Minister for higher contributions rates in certain areas?
- How does the reform affect Council's areas which have already been approved to levy over the standard 1%? Council currently charges 2-3% in the Liverpool City Centre and is set to levy 6.5% in its Draft Aerotropolis s7.12 Plan, pending formal approval of the Minister.
- What is the relationship of this reform to DPIE's recently released Practice Note in February 2021 providing Councils with criteria for applying levies above the standard 1% levy?

Council appreciates the Committee's initiative at making an inquiry towards such an important issue. Council will continue to engage with DPIE and other stakeholders to ensure the infrastructure contributions reforms deliver quality public infrastructure and amenity to our community.

Yours sincerely

Raj Autar
Acting Chief Executive Officer