

Submission
No 148

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

Organisation: City of Parramatta Council

Date Received: 15 July 2021

BY EMAIL

NSW Legislative Council Portfolio Committee No. 7 – Planning and Environment
PortfolioCommittee7@parliament.nsw.gov.au

14 July 2021

Dear Ms. Cate Faehrmann MLC

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

I refer to the invitation made by the NSW Legislative Council's Portfolio Committee No. 7 – Planning and Environment for key stakeholders to make a submission to the Upper House inquiry in relation to the proposed amendments to the *Environmental Planning and Assessment Act 1979* (the 'Act'), as outlined in the *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021* (the 'Bill').

The purpose of this submission is to highlight concerns that the City of Parramatta Council (the 'Council') have identified with the legislative reform process and in particular the progression of the Bill.

As the largest city centre in the Western Sydney Region, the Greater Parramatta area is one of Australia's fastest growing regions. The success of Greater Parramatta, as a focus of economic activity, essential services, housing provision, and culture and creativity, will benefit not just those living in within the City of Parramatta LGA, but all of Greater Sydney. However, for Greater Parramatta to realise its ambition as Sydney's second CBD, the Council needs to be able to fund the necessary local infrastructure to support an increased demand for local services.

Council is concerned that the amendments to the legislation are premature. There has been insufficient information provided on the amendment, its supporting regulations and other supporting policies for Council to properly assess the impact on Council's ability to collect developer contributions necessary to fund local infrastructure. It is requested that further consultation be undertaken with Council provided a complete picture of the new policy framework to allow a proper assessment to be done to inform consultation on the impact of the new legislative framework.

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Of particular concern, based on the information currently available, are the impacts of changes to the operation of Section 7.12 contributions plans that may be facilitated by the Bill.

Council is currently in the process of preparing a new draft Parramatta CBD Section 7.12 Contributions Plan for the purposes of public exhibition, which is expected to be exhibited in the upcoming months. The new Section 7.12 Contributions Plan, if adopted, would repeal and replace the existing **Parramatta CBD 7.12 Development Contributions Plan (Amendment No. 5)**.

Particular concern is raised regarding the proposed changes outlined in the Bill related to proposed Section 7.12 (5), which, inter alia, makes provision to impose a maximum levy amount for specified types of development, including development involving a specified number of dwellings or a specified gross floor area and removal of the reference to any levy being imposed on the basis of the cost of development. It is Council's view that a percentage based development contributions levy based on cost of development, currently allowed through Section 7.12 of the EP&A Act, is the most appropriate means of levying development contributions for the provision of local infrastructure in the absence of any clear information on how a new arrangement based on the number of dwellings or gross floor area will operate.

It is acknowledged that the Productivity Commission recommendations on potential infrastructure funding reform include a review of the way rates are imposed by Council, to link rates to population growth to assist with infrastructure funding pressures. However, there is no information on how this change would operate and whether the changes would compensate Council if its ability to collect developer contributions is reduced. Progress of the Bill in the absence of the full policy framework so Council can understand the net impact on its infrastructure funding options is not appropriate.

Yours sincerely

Brett Newman
Chief Executive Officer