

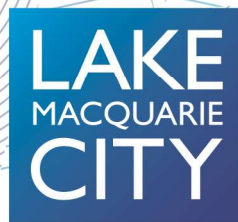
**Submission  
No 158**

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

**Organisation:** Lake Macquarie City Council

**Date Received:** 20 July 2021

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20 July 2021

Ms Cate Faehrmann MLC  
Chair, Portfolio Committee No.7 Planning & Environment  
PortfolioCommittee7@parliament.nsw.gov.au

Dear Ms Faehrmann

**Subject: Staff submission - Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021**

Thank you for the opportunity to provide a submission to the Portfolio Committee No.7 on the Environmental Planning and Assessment Amendment (Infrastructure Contribution) Bill 2021.

Staff are supportive of changes to the infrastructure contributions system, and welcome the opportunity to provide a submission on the proposed changes.

Given the short time frame afforded to review and prepare a submission, Council staff have limited comment to the following areas.

#### Land Value Contribution (LVC)

4.2	<b>Introduce a land value contribution mechanism to improve efficiency and certainty for funding land acquisition</b> <ul style="list-style-type: none"><li>A new framework will allow councils to require all landowners in an identified precinct in an approved contributions plan to contribute towards land required for public purposes.</li><li>The contribution will be based on a percentage of land area or value and is imposed when land is rezoned. It will be payable when the land is sold or developed.</li><li>Landowners will be notified of the land value contribution being imposed within a precinct as part of the public exhibition of draft contributions plans and planning proposals.</li></ul>	7.16B-F	[22]
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**Comment:** While a land value contribution mechanism is generally supported, without the accompanying Regulations, it is difficult for Council staff to provide detailed comment on the proposed addition to the Environmental Planning and Assessment Act 1979 (EP&A Act). It would be necessary for the Regulations to provide a land value indexation method to ensure that payments received by Council do not devalue over time relevant to the cost of land

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required. Lake Macquarie City Council would be able to add valuable comment should a working party be created to provide input from the area of developer contributions.

### Forward funding infrastructure through borrowing and pooling funds

4.9	<b>Encourage councils to forward fund infrastructure through borrowing and pooling funds</b>		
	<ul style="list-style-type: none"> <li>Councils will be able to pool contributions without the need for a Ministerial Direction or contributions plan to allow it.</li> </ul>	7.3(2)	[10]
	<ul style="list-style-type: none"> <li>Regulations extend recoupment to include interest costs associated with forward-funding infrastructure.</li> </ul>	7.11(2)	[19]

**Comments:** Council staff support proposed amendments that allow greater flexibility in the expenditure of monetary contributions. Clarity around how this is to occur would be helpful for Council staff to communicate the intent and process to the community.

### Defer payment of contributions to occupation certificate stage

4.10	<b>Defer payment of contributions to occupation certificate stage</b>		
	<ul style="list-style-type: none"> <li>Directions to set the timing of contributions payments will be extended beyond the COVID-19 pandemic period.</li> </ul>	7.17(1A) and (1B)	[24]

**Comment:** Council staff support in principle the deferment of payment of contributions to occupation certificate stage for some development types and scale of development. For residential subdivision development, contributions are currently paid prior to the issuing of a subdivision certificate which is considered the end of a subdivision development. This is equivalent to occupation certificate stage for other types of development. Staff do not support the deferment of payment of contributions beyond subdivision certificate stage for residential subdivision development.

### Increase maximum section 7.12 fixed development consent levies

4.11	<b>Increase maximum section 7.12 fixed development consent levies</b>		
	<ul style="list-style-type: none"> <li>Maximum rates and a broader calculation methodology can be set by regulation.</li> </ul>	7.12(5)(a)	[19]

**Comment:** Council staff support the model of an increase in the maximum section 7.12 contribution. Until staff have read the accompanying Regulations, it is unclear to what extent this proposed amendment will be of benefit to Council.

## Planning agreements consistent with principles-based approach

4.12	<b>Planning agreements consistent with principles-based approach</b> <ul style="list-style-type: none"><li>• Planning authorities will be required to publicly exhibit rather than notify draft agreements, and to invite and consider submissions.</li><li>• The requirement for hard copies of planning agreements will be removed given planning agreement information will be available online.</li></ul>	Schedule 1, clause 6A  7.5, 7.10	[33]  [16-17]
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**Comments:** Transparency and opportunities for the wider community to comment on planning agreement proposals are supported by staff.

Lake Macquarie City Council appreciates the opportunity to contribute to this consultation process and welcomes further engagement on these matters.

Yours faithfully,

Wes Hain

**Manager Integrated Planning**