

**Submission  
No 3**

**INQUIRY INTO ENVIRONMENTAL PLANNING AND  
ASSESSMENT AMENDMENT (HOUSING AND  
PRODUCTIVITY CONTRIBUTIONS) BILL 2023**

**Organisation:** Woollahra Municipal Council

**Date Received:** 5 June 2023

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Council Ref: 23/99915

5 June 2023

Ms Susan Higginson, MLC  
Portfolio Committee No. 7 - Chair  
NSW Parliament  
6 Macquarie Street  
SYDNEY NSW 2000

Dear Ms Higginson,

**Re: Proposed Housing and Productivity Contribution**

I write in relation to the *Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Bill 2023* and the associated Parliamentary Inquiry under Portfolio Committee No. 7 - Planning and Environment.

On 8 March 2022, Woollahra Council provided a submission to the Department of Planning and Environment (DPE), signalling our objection to the proposed Regional Infrastructure Contributions (RICs). We are concerned that many of the issues associated with these have been carried into the proposed Housing and Productivity Contributions (HPCs), which appear to be an updated version of the RICs. Accordingly, Council staff wish to outline our main concerns and suggest how the HPCs may be enhanced to provide a more equitable and transparent contributions framework.

The DPE's explanatory document dated May 2023 indicates the HPCs will apply to Greater Sydney, the Lower Hunter, Illawarra-Shoalhaven and the Central Coast. Any contributions raised in a particular region will have to be spent within its geographic boundaries. Council staff object to this arrangement as it is currently proposed. It will not provide any certainty that money raised from projects in the Woollahra Local Government Area (LGA) will be used to fund infrastructure that benefits our local community. The infrastructure cost for projects in other districts of Sydney should be funded by developers and State/Federal Government grants, and not subsidised by Councils such as Woollahra that have their own unique infrastructure requirements.

The wording of the explanatory document suggests that funding will be directed to LGAs that are considered 'high growth areas'. These LGAs will generally have a large supply of greenfield or brownfield land, and will therefore attract projects with significant numbers of additional dwellings or new commercial floor space. Accordingly, the high HPC revenue generated in such areas will sufficiently fund their base level infrastructure requirements.

Infill areas such as Woollahra will receive far more modest HPC revenue, as most development comprises the replacement and renewal of existing buildings. However, these areas also typically have older infrastructure that is heavily utilised by higher density populations. Roads, community facilities, parkland and other elements of the public domain

require regular upgrades to meet the changing needs of residents. It is essential that any HPC revenue raised in infill LGAs is used to upgrade local infrastructure.

The *Woollahra Local Housing Strategy 2021* identifies that between 2021 and 2026, Council has committed to a housing target of 500 additional dwellings. This will further increase density in the LGA and place additional pressure on local infrastructure around key centres, such as Double Bay and Edgecliff. The delivery of high quality infrastructure is therefore essential to ensure that growth does not compromise amenity or ease of transportation.

Additionally, we believe that the levies should not be allocated through the NSW Cabinet and the Government Coordination Group (Treasury, DPE and other agencies). Rather, the levies should be paid to Council to ensure they are spent on projects that will benefit the local community. This is consistent with the current approach to contributions under the *Environmental Planning and Assessment Act 1979*, which requires section 7.11 and 7.12 contributions to offset the impacts of localised developments and enhance infrastructure provision.

If the HPCs proceed as currently proposed, the following measures should be adopted:

- Governance arrangements – Robust governance arrangements should be put in place to ensure that contributions raised from the Woollahra community be spent in the LGA or immediately connected areas in the eastern beaches. This will ensure local infrastructure needs are appropriately funded, and avoid any public speculation that the direction of funds to particular areas of Greater Sydney are politically motivated.
- Public consultation – Following the formulation of the Urban Development Program, the community should have the ability to make submissions on the proposed allocation of funds. This will increase transparency and ensure the local community have the opportunity to voice concerns about particular projects.

We request that the above matters be considered by the Parliamentary Inquiry and used to formulate a HPC framework that allows funds to be allocated equitably and transparently. Council staff would be pleased to provide clarification on any of the issues raised in this letter.

Yours sincerely

Anne White  
Manager Strategic Planning and Place