

**Submission  
No 12**

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

**Organisation:** Hornsby Shire Council

**Date Received:** 7 June 2023

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7 June 2023

Ms Sue Higginson MLC, Committee Chair  
Legislative Council  
Portfolio Committee No. 7 – Planning and Environment

Submitted online

Dear Ms Higginson,

**Inquiry into Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Bill 2023**

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Thank you for the opportunity to comment on the proposed Housing and Productivity Contribution.

At the outset, it is appropriate to acknowledge that the Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Bill 2023 (the Bill) positively responds to a number of issues raised by Council in commenting on the previous contribution reforms proposed by the State Government in 2021. The commitment by the Government to ensure the efficient and timely delivery of infrastructure in conjunction with housing supply is consistent with good strategic planning and is an expectation consistently raised by residents of Hornsby Shire.

Due to the timing of the Inquiry, the Bill has been discussed at an informal briefing of Councillors. However, a report was not able to be prepared for consideration at a Council meeting. Therefore, please note that the views expressed in this submission as outlined below are those of Council officers and not the elected body.

**1. Allocation of Funds**

It is understood that the Housing and Productivity Contribution will replace the previous Special Infrastructure Contribution and is proposed to be applied as a consistent development charge to assist fund the delivery of infrastructure by the State Government. Generally, no connection is required between the development on which a housing and productivity contribution is imposed and the regional infrastructure provided.

Concern is raised that although the contribution will be applied to applicable development across the State, the focus for the expenditure of the funds will be “high-growth areas”. Specifically, the Bill states that planning priorities include targets for net additional dwellings. However, cost and challenges of providing infrastructure in existing infill areas should equally be acknowledged as a planning challenge as increasing costs are beyond the financial capacity of local councils.

The Housing and Productivity Contribution Funds are proposed to be collected and allocated by region being Greater Sydney, the Illawarra-Shoalhaven, Lower Hunter and the Central Coast. Contributions collected in a region must only be spent in that region. However, as submitted in response to the previous contribution reforms, Council remains of the view that the funds should be spent within the district in which they are collected to provide tangible benefits for the communities living in the areas where development is occurring in accordance with the strategic planning priorities in the district and local plans.

If the Housing and Productivity Contribution does not have a nexus requirement, the same principle should be applied to local contributions and the nexus should be relaxed to allow more flexibility for councils in line with the flexibility of the proposed new contribution.

## **2. Council input into Infrastructure Prioritisation**

An Infrastructure Opportunities Plan will outline 0–20-year growth expectations and infrastructure projects that will be eligible for funding in the regions. These plans will be developed in response to the Urban Development Program identifying the growth challenges for the regions. An Urban Development Program Oversight Committee will consider and balance the competing needs of each region to review and refine the infrastructure priority list. However, it is understood that ultimately, a Government Coordination Group will refine the list of priority infrastructure projects to inform government funding allocation decisions.

Although council participation as part of the Urban Development Program is supported, it is suggested that council representations should also be included on the Oversight Committee. It is understood that the composition of the Committee is proposed to include representatives of LGNSW, peak industry groups and key government agencies. However, it is submitted that it is essential that representatives of local government also be included as part of this process to ensure the needs of each district are appropriately outlined and prioritised. It is acknowledged that it may be unreasonable to expect that a representative of each council participate on the Committee. As an alternative, nominations should be included for a technical level officer representative from relevant Regional Organisations of Councils.

Although the Bill includes stronger governance arrangements for the allocation of funds which are supported, this process should not be undermined by decisions by the Minister. Concern is raised that Bill appears to include a wide scope for decisions to be made at the discretion of the Minister for the allocation of funds. This appears inconsistent with a process aimed at ensuring open and transparent allocation of funds of significant value.

## **3. Timing for Funding Allocation**

As indicated above, the purpose of the Bill to ensure infrastructure is provided to support development is supported. To ensure this aim is achieved, greater certainty is required for councils at the rezoning stage that funds will be allocated where infrastructure is required beyond what may reasonably be funded and provided through local contributions.

For instance, Council is currently working on a Masterplan for the Hornsby Town Centre to deliver opportunities for 4,500 new dwellings. As part of the planning process, it is evident that upgrades to the local and State Road network are required to address additional traffic growth and the associated costs exceeds the contributions that may reasonably be attributed to development.

The process for the allocation of Housing and Productivity Contribution requires coordination with the planning proposal (rezoning) process to ensure councils, relevant agencies, developers and the community have confidence that required infrastructure will be funded and delivered in conjunction with development. These decisions cannot be left until the after rezonings have occurred with associated uncertainty as to whether funding will be prioritised and allocated. The criteria for the payment of funds should include where infrastructure is required to support the progression of a planning proposal.

I trust these comments are of assistance to the Committee in undertaking its review under its terms of reference. Should you require any clarification in relation to any of the matters raised, please do not hesitate to contact me on \_\_\_\_\_ or email \_\_\_\_\_

Yours sincerely

Steven Head  
General Manager

TRIM Reference:

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