

**Submission
No 16**

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

Organisation: Willoughby City Council

Date Received: 7 June 2023



Office of the Chief Executive

7 June 2023

NSW PARLIAMENT HOUSE
Clerk of the Parliaments, NSW Legislative Council
Clerk of the Legislative Assembly
6 Macquarie Street
Sydney NSW 2000

CC: The Hon. Paul Scully, MP (Minister for Planning and Public Spaces)
Ministerial Office
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Dear Legislative Council,

Willoughby City Council Submission to Environmental Planning and Assessment Amendment (Housing and Productivity Contributions) Bill 2023

Willoughby City Council appreciates the opportunity to provide comments on [Environmental Planning and Assessment Amendment \(Housing and Productivity Contributions\) Bill 2023](#) ('the Bill') which will be heard and debated at the Parliament House, Sydney on 8 June 2023.

During the last major consultation in October 2021, Willoughby City Council ('Council') had provided a submission on 17 December 2021, to the *Department of Planning & Environment* ('DPE') which raised similar concerns on the state contribution proposed at the time known as the RIC, Regional Infrastructure Contribution.

While some changes have been made in response to previous feedback, a number of concerns remain as the Bill is essentially a formalised legislative version of the similar proposed RIC contribution, but now being renamed as 'Housing and Productivity Contribution' (HPC) that will replace the current 'Special Infrastructure Contribution' (SIC) in the NSW planning legislation. It introduces similar new charges for residential, commercial, retail, and industrial development that will be collected by the state government for spending on state infrastructure.

Concerns expressed over the RIC are not dissimilar to those now expressed towards the proposed HPC. The HPC:

- 1. Lacks transparency without a full list of public infrastructure works and costed figures** to designate where the HPC will be spent. A costed works schedule would be a simple and transparent way to improve the HPC, and would be similar to that required of councils for preparing a section 7.11 contribution plan.
- 2. Dismisses the principle of nexus and apportionment.** Without the presence of a works schedule there is no clarity about where the HPC would specifically be applied.

There is therefore a lack of any nexus between collection and expenditure. The HPC proposes a spending catchment that covers the Greater Sydney region. This area is too large especially for smaller and medium sized councils to receive benefit.

- 3. Will result in reduced local contributions from developers** in terms of development feasibility having to account for payment of both local and state contributions, diminishing the effective delivery of housing in the area to meet housing targets. This will also challenge the provision of local community facilities and the commensurate social licence from communities for increased housing density and traffic.

Evidence is required to support the claim by the Minister for Planning and Public Spaces that the Planning and Treasury's modelling "*indicates (that) this new system will have a negligible impact on the feasibility of development projects and represents a tiny fraction of the land value uplift arising from the right to build additional dwellings.*"

The impact of development feasibility would not be '*negligible*' when the DPE encourages an increased amount of affordable housing provision as part of the development. A reviewed *Willoughby Local Environment Plan* will soon be made by Council incorporating increased affordable housing provisions up to 10% in the Chatswood CBD area. The additional state contribution would undermine that provision by impacting the developer's funding/feasibility.

An amendment to the legislation regarding deferring contribution payment to Occupation Certificate stage was foreshadowed in the Legislative Assembly on 31 May 2023. Council objects to this proposal as it would delay timely provision of essential community infrastructure, or require existing communities to carry the burden of paying for the infrastructure costs for new developments until the payments are made. Council does not have the financial capacity to forward fund multiple infrastructure projects while awaiting vital contributions payments from developers for those projects.

I encourage the Parliament to revisit Planning and Treasury's modelling to make it a more feasible and transparent approach for delivering housing and the associated supporting social and physical infrastructure through a clear listing of eligible, costed works.

Yours sincerely,

Debra Just
CHIEF EXECUTIVE OFFICER