

Infrastructure Contributions Reforms

Cr Linda Scott, President



Background

- The Infrastructure Contributions Bill was introduced into Parliament on 22 June, and then referred to the Upper House Planning & Environment Committee for inquiry and report.
- The Committee called for submissions and held a hearing on 16 July 2021 where local government representatives, including LGNSW, appeared as witnesses.
- LGNSW made a submission to the inquiry, opposing the passage of the Bill in this form and calling for it to be withdrawn.
- The Committee tabled its report on 10 August 2021 and recommended that the Bill not proceed until the draft regulations have been developed and released for consultation and the reviews into the rate pegging system, benchmarking and the essential works list have been published by the Independent Pricing and Regulatory Tribunal.

Why are contributions important?

- Helps to deliver the infrastructure needed as communities grow.
- A means of financing public infrastructure that is required as a direct or indirect result of new development.
- Based on a long-standing impactor/beneficiary pays principle of the existing planning system.
- Local infrastructure delivered via contributions includes roads, footpaths, street lighting, stormwater and drainage facilities, parks, playgrounds, playing fields, skate parks, basketball courts, libraries, childcare centres and public pools.

What's being proposed?

- Led by the Treasurer Dominic Perrottet and Planning and Public Spaces Minister Rob Stokes.
- Changes to planning rules, including rules governing developer contributions, through the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill.



Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.
This Bill is cognate with the *Appropriation Bill 2021*.

Overview of Bill

The object of this Bill is to amend the *Environmental Planning and Assessment Act 1979* and other instruments as follows—

- to enable a contributions plan to identify land in a land value contributions area for the purpose of requiring a land value contribution for the land,
- to establish a regional infrastructure contributions scheme,
- to make further provision for existing local infrastructure contributions,
- to make other consequential amendments.

What's the potential impact?

- **The Bill could:**
 - **Reduce the type of community infrastructure that could be funded by developer contributions;**
 - **Siphon-off developer contributions into four regional funds, with no guarantees that the money would be funnelled back into projects in the local areas where the funds have been collected;**
 - **Dictate to councils on what and how they can spend their contributions (through Ministerial directions); and**
 - **Enable future governments to make further potentially-damaging changes to the system without parliamentary scrutiny.**

What's the potential impact?

- Council contributions will be significantly reduced....while State Government revenue (via regional contributions) will increase.
- Councils will be forced to either forgo the infrastructure or raise rates, cost-shifting the delivery of infrastructure from developers to ratepayers.
- Significant financial impact on councils' ability to deliver community infrastructure ranging in the millions to tens of millions of dollars.
- IPART "essential" infrastructure works list review - may further restrict the type of community infrastructure that could be funded via contributions.
- Won't reduce housing prices....Parliamentary Committee concluded it would 'just move costs between developers and landowners'.

LGNSW advocacy on your behalf

- **LGNSW has opposed the Bill in its current form and has called for it to be withdrawn from the NSW Parliament.**
- **We need a guarantee that councils and their communities are not left worse off as a result of these reforms, including in any current or future financial year taking into account projected future increases local governments are likely to receive under the current system.**



NSW councils to oppose rule changes to infrastructure contributions

16 July 2021

Local Government NSW (LGNSW) will oppose infrastructure contribution rule changes that threaten to defer and reduce critical developer payments to councils at a Parliamentary inquiry this week.

LGNSW advocacy on your behalf

Dear Treasurer

Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill

I write to advise that Local Government NSW (LGNSW) opposes the passage of the Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) at this stage.

The Bill introduces a major overhaul of the infrastructure contributions system in NSW and has wide ranging implications for councils and the communities they serve.

LGNSW is concerned about the lack of broad consultation on the Bill and the attempt to expedite its passage by making it a cognate Bill of the NSW Budget Appropriation Bills, therefore avoiding the level of scrutiny that it deserves.

Engagement with Government

Submission
No 98

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

Organisation: Local Government NSW
Date Received: 11 July 2021

Submission



Councils concerned about infrastructure contribution rule changes

25 June 2021

Local Government NSW says State Government infrastructure contribution rule changes sneaked into Parliament this week have the power to defer and reduce critical developer payments to councils.

Media



Inquiry

Dear Mr Shoebridge,

Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill

I write to advise that Local Government NSW (LGNSW) opposes the passage of the Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) at this stage.

The Bill introduces a major overhaul of the infrastructure contributions system in NSW and has wide ranging implications for councils and the communities they serve. LGNSW is concerned that these reforms will result in further cost shifting from developers onto local government and ratepayers.

LGNSW is also concerned about the lack of consultation on the Bill and the attempt to expedite its passage by making it a cognate Bill of the NSW Budget Appropriation Bills, therefore avoiding the level of scrutiny that it deserves.

It is premature to push forward with this legislation while so much of the infrastructure reform agenda remains unknown. More detail is required about regulations and subordinate legislation that will follow.

I have written to the Treasurer outlining our concerns and requesting that the Bill be withdrawn, and further consultation undertaken (copy attached).

Will you commit to opposing this Bill?

Engagement with cross benchers

LGNSW advocacy on your behalf

- **Campaign microsite and TVC under development – to raise public awareness of the importance of developer contributions to neighbourhoods – show what’s at stake:**
 - **Fact sheet/Infographics**
 - **Customisable/shareable assets**
 - **Downloadable letter/email**
 - **Petition functionality**
 - **Facebook/Twitter/LinkedIn links**
 - **Testimonials/stories**

What can you do?

- Resolve a Mayoral Minute
- Write to Government Ministers
- Write and seek meetings with your local MPs
- Issue a media release and speak to your local media to raise community awareness
- Share the TVC and other campaign materials on your social media networks

ITEM MAYORAL MINUTE – INFRASTRUCTURE CONTRIBUTIONS REFORMS

Department

Author

Recommendation

1. That (Council) calls on the NSW Government to withdraw the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) from the NSW Parliament.
2. That (Council) calls on the NSW Government to undertake further consultation with the local government sector on any proposed reforms to the infrastructure contributions system.



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Questions and comments