



25 August 2021

Mr Paul Scully, MP
Shadow Minister for Planning and Public Spaces
2/51 Crown Street
WOLLONGONG NSW 2500

By email: wollongong@parliament.nsw.gov.au

Dear Mr Scully

Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill

The Southern Sydney Regional Organisation of Councils (SSROC) Inc. is an association of 11 councils spanning Sydney's southern, eastern and inner west suburbs, as well as Sydney CBD, covering a third of the Greater Sydney's population, or 1.7 million people. SSROC provides a forum through which member councils can interact, exchange ideas and work collaboratively to solve regional issues and contribute to the future sustainability of the region, being inclusive outside of the SSROC membership. SSROC advocates on the behalf of our region to ensure that the major issues are addressed by all levels of government.

I write to advise that SSROC strongly opposes the passage of the Environmental Planning & Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) at this point in time. As a member of Local Government NSW, SSROC supports LGNSW advocacy to have the Bill withdrawn while the local government sector is consulted.

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

SSROC 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.

SSROC appreciates that the Bill mainly seeks to introduce enabling legislation to allow the implementation of many of the reforms proposed by the Productivity Commission following its review of the infrastructure contributions system. However, we are concerned that the legislative amendments may open the gates to regulations and subordinate legislation that will be deleterious to councils and communities.

Along with LGNSW, SSROC also opposes certain provisions contained in the Bill, specifically:

Schedule 1[24] enabling the Minister for Planning and Public Spaces (the Minister) to extend a direction relating to the time at which monetary contributions or levies must be paid to existing development consents in certain circumstances.

The Bill enables Directions setting the timing of contributions payments to be extended beyond the COVID-19 pandemic period. This is a significant overreach of powers and is opposed by SSROC and the local government sector.

Schedule 1[25] makes provision for the preparation and approval of contributions plans by councils and for the making, amendment or repeal of contributions plans by the Minister.

This is again an overreach of powers; the Minister should not have the discretionary power to overrule council contributions plans by Direction.

SSROC support for many other provisions of the Bill is contingent on our views on the regulatory changes that will follow the Bill, which are currently unknown. As you will be aware from previous LGNSW correspondence, while LGNSW supported many of the recommendations of the Productivity Commission, it also opposed many of the recommendations and offered highly qualified support for a number of the others.

LGNSW specifically opposed recommendations in relation to further restricting the essential services list to development contingent costs, permanent deferment of payments of infrastructure contributions, the removal of value capture and value sharing Voluntary Planning Agreements and restricting planning agreements for mining and energy projects to contingent infrastructure.

Important reforms like linking rate growth to population growth were supported in principle, however this is contingent on development of a workable and broadly agreed methodology. This is yet to be seen.

Like LGNSW, SSROC cannot support the Bill until we are assured that our councils and communities will not be worse off under the legislation. We need to be assured that the Bill will not result in further cost shifting from developers onto local government and ratepayers. More detail is required about regulations and subordinate legislation that will follow. It is premature to push forward with this legislation while so much of the infrastructure reform agenda remains unknown.

As you will be aware, the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 was referred to Portfolio Committee No. 7 – Planning and Environment for inquiry and report.

The Committee agreed with stakeholders that it is very difficult to assess what the overall reforms will look like without the detail behind the Bill. The Committee report recommends that the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 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.

Will the NSW Opposition call for the Bill to be withdrawn and support further consultations with the local government sector and other stakeholders once further critical related details are released?

For further information please have your staff contact Mark Nutting, SSROC Strategic Planning Manager at mark.nutting@ssroc.nsw.gov.au or 8396 3800.

Yours sincerely

A handwritten signature in black ink that reads 'Helen Sloan'.

Helen Sloan
Acting General Manager
Southern Sydney Regional Organisation of Councils

cc: Mr Greg Warren MP, Shadow Minister for Local Government
campbelltown@parliament.nsw.gov.au