

Subject **8.1 Mayoral Minute: Infrastructure Contributions Planning Bill (11739469)**

To my fellow Councillors

Mayoral Minute

Summary

The purpose of this Mayoral Minute is to inform Councillors and the community of a real and imminent threat to Council's financial sustainability and the quality of life for the residents of Shellharbour City.

The NSW state government is trying to push through significant legislative changes to the way developer contributions are collected and spent, with little information regarding their true impact. As a result, there is a real need to make all NSW politicians aware of the consequences and repercussions that this legislation in its current form will have on councils and communities right across NSW.

Background

The NSW state government is proposing to proceed with legislation changes on how councils can collect and spend infrastructure contributions from developers. These changes will reduce the development industry's responsibility to provide or pay for upgrades to community infrastructure such as libraries, community centres, community theatres, toilets and change rooms at sportsgrounds and facilities at local parks. It may mean that developers may not have to contribute to these types of facilities at all. The legislation is that open and unclear.

What is clear is the Bill proposes to transfer much of the cost of servicing a growing population onto the existing community. Although not contained in the Bill the NSW Government has identified rate increases to make up for the lost revenue from developers, because it is evident that developers will be much better off under this Bill. For Shellharbour City Council this will be millions of dollars every year in lost revenue.

The legislation changing infrastructure contributions may be passed as early as next month when parliament resumes on October 12. I understand that the Minister for Planning and the Treasurer are keen to see this legislation pass as soon as possible. This is happening notwithstanding the recommendation of the Parliamentary Legislative Council Portfolio Committee No.7 which was tasked with reviewing the Bill. In August, the Committee recommended :

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.

The work that the Committee is requesting the Government undertake is fundamental to ensuring transparency and equity in a system that contributes over a hundred million dollars of community infrastructure to people in NSW each year.

Shellharbour City Council has been actively engaging on this issue making submissions to the NSW Department of Planning, Industry and Environment, the NSW Independent Pricing and Regulatory Tribunal (IPART) and the NSW Productivity Commission. Council also made a submission to the Legislative Council Portfolio Committee, the contents of which is generally reflected in the Committee's recommendation.

I have been active with Local Government NSW and its campaign to stop this legislation being passed. Through this work it is clear to me that most State Members are distracted as a result of the COVID crisis and have not had the time to fully understand the magnitude of this legislation and the detrimental impact it will have on communities across NSW. The legislation is deceptively simplistic, lacking the detail necessary for parliamentarians to make informed decisions.

Therefore I seek the support of my colleagues in pursuing this matter with state government and resolving to support the recommendations in this minute.

Recommendation

That:

- 1. The Mayor write to the Premier, the State Treasurer and the Minister for Planning, to express Council's concerns with the current proposed legislation and its trajectory and a copy of this correspondence be forwarded to all State MPs.**
- 2. The Mayor seek to meet with local state parliamentary members to express the concern of Council with the current proposed legislation and its trajectory.**
- 3. A copy of this Mayoral Minute and any correspondence be sent to Local Government NSW.**

Approved for Council's consideration: Mayor, Cr Marianne Saliba
Shellharbour City

Date of Meeting: 21 September 2021

Attachments

Nil