

## Item 10

### Submission - Changes to NSW Infrastructure Contributions

File No: X037193

#### Summary

The NSW Government has proposed changes to the NSW infrastructure contribution system. The proposed changes:

- introduce a new Regional Infrastructure Contribution levy to be collected locally but paid to NSW Treasury and spent regionally on infrastructure;
- curtail local infrastructure contributions, and
- delay the collection of local contributions from the beginning to the end of the construction phase for certain large-scale developments.

The City estimates that in the first five years of the new contributions system, the City will receive \$193 million less in contributions income than if the current contributions system were maintained. To 2040/41, the City estimates that the contributions income as a result of the changes is expected to be \$650 million lower than if the current system were maintained.

The proposed changes to local infrastructure contributions will impact upon the City's capacity to deliver critical infrastructure needed to support our status as Australia's global city and as the nation's economic powerhouse. The proposed changes will severely restrict the City's ability to contribute towards the necessary public infrastructure, putting future urban renewal at risk and ultimately impacting on the State's ability to recover from the significant economic impacts of the Covid-19 pandemic.

The City's submission recommends that the current proposals be abandoned, and that regional infrastructure contributions should not proceed. Local contributions should remain the key focus of the contributions system. The submission recommends that s7.12 contributions should remain as a percentage of development cost and councils who already have higher rate levies should maintain them. It also recommends that for s7.11 contributions, councils should retain existing decision-making powers on what infrastructure is funded and how much it costs to deliver, based on community need.

The proposed changes were on exhibition from 28 October to 10 December 2021, which coincided with the local election period. Council staff were required to submit technical submissions in December 2021. Newly elected councils have until one week after their first meeting in early 2022 to submit endorsed submissions.

City staff prepared and submitted the submission at Attachment A to the NSW Government and to the Independent Pricing and Regulatory Tribunal (who have been working on some of the proposals for the NSW Government).

This report recommends that Council endorse the submission at Attachment A to be sent to the Department of Planning, Industry and Environment and the Independent Pricing and Regulatory Tribunal.

**GRAHAM JAHN AM**

Director City Planning, Development and Transport

Tim Wise, Manager State Planning Projects

Siobhan Fox-Roberts, Senior Planner

**Recommendation**

It is resolved that Council:

- (A) endorse the City submission detailed at Attachment A to the subject report, on the NSW Government's changes to the infrastructure contributions system to be sent to the Department of Planning, Industry and Environment and the Independent Pricing and Regulatory Tribunal;
- (B) approve up to \$80,000 from the 2021/22 General Contingency Fund to produce and distribute a further community flyer and/or advertisement in order to notify the community of this matter and its impact on the City of Sydney

**Attachments**

**Attachment A.** Submission on NSW Government Infrastructure Contributions Changes