

15.2 POST EXHIBITION REPORT - GOULBURN MULWAREE LOCAL INFRASTRUCTURE CONTRIBUTIONS PLAN 2021

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Attachments: 1. Local Infrastructure Contributions Plan (separately enclosed) 

Reference to LSPS:	Planning Priority 1: Infrastructure - Vision 2040 – Infrastructure meets the needs of a growing community
Cost to Council:	Approximately \$51M in revenue is expected from the Draft Plan if adopted.
Use of Reserve Funds:	Reserve Funds will be required to fund shortfalls for infrastructure should the Draft Plan not proceed.

RECOMMENDATION

That:

1. The post exhibition report on the Draft Local Infrastructure Contributions Plan prepared by Council's Business Manager Strategic Planning be received.
2. Council adopt the *Goulburn Mulwaree Local Infrastructure Contributions Plan 2021*, as amended in Attachment 1 subject to a commencement date of 1 June 2021 under clause 31(4) of the *NSW Environmental Planning and Assessment Act Regulations 2000*. The following rates will apply:

2020/21 s7.11 Rates for Type 'A' Developments				
	Per resident in a group home or hostel	Per 1 bedroom secondary dwelling, 1 bedroom dwelling, boarding house room, or self-contained seniors housing dwelling	Per 2 bedroom dwelling and 2 bedroom secondary dwelling Per 3 or more bedroom dwelling,	3 bedroom secondary dwelling, dwelling house, or lot with a dwelling entitlement
Goulburn Catchment				
Community facilities	\$707	\$919	\$1,131	\$1,696
Open space and recreation facilities	\$1,786	\$2,322	\$2,857	\$4,286
Roads and active	\$4,776	\$6,209	\$7,641	\$11,462

transport facilities				
Plan administration and management	\$109	\$142	\$174	\$262
Total	\$7,377	\$9,591	\$11,804	\$17,706
Rural Catchment				
Community facilities	\$707	\$919	\$1,131	\$1,696
Open space and recreation facilities	\$1,786	\$2,322	\$2,857	\$4,286
Roads and active transport facilities	\$2,260	\$2,938	\$3,616	\$5,424
Plan administration and management	\$71	\$93	\$114	\$171
Total	\$4,824	\$6,272	\$7,718	\$11,577

2020/21 s7.12 Rates for Type 'B' Developments	
Development Type	Levy Rate
Development that has a proposed cost of carrying out the development:	
• Up to and including \$200,000	Nil
• More than \$200,000	1% of that cost

2020/21 s7.11 Rates for Type 'C' Developments	
Basis of levying	Contribution Rates
Amount of material hauled	5.04 cents per tonne of material over the total length of road
Length of haul road used	\$0.252 per ESA per kilometre of haul road used

- Council publish a notice on its web site within 28 days of Council's decision to adopt the Goulburn Mulwaree Local Infrastructure Contributions Plan 2021 under Clause 31 of the NSW *Environmental Planning and Assessment Act Regulations 2000*.
- Council repeal the existing *Goulburn Mulwaree Section 94 Contributions Plan 2009* and the *Goulburn Mulwaree 94A Levy Contributions Plan 2009* upon commencement of the Goulburn Mulwaree Contributions Plan; and that a public notice of intent to repeal these plans (including

the reasons for doing so) be published on Council's web site at least 14 days before repealing the plans as per clause 32(2A) of the *NSW Environmental Planning and Assessment Act Regulations 2000*.

5. Council authorise the General Manager to make appropriate amendments to the Plan under clause 32(3) of the *NSW Environmental Planning and Assessment Act Regulations 2000* where required, to reflect ongoing changes in CPI, minor typographical errors, or to omit projects which have been completed.
6. Upon the repeal of the *Goulburn Mulwaree Section 94 Contributions Plan 2009* and the *Goulburn Mulwaree 94A Levy Contributions Plan 2009*, remaining contributions from the former/repealed plans (excluding funds collected for stormwater and Ducks Lane traffic) be transferred, periodically, to the appropriate accounts under *Goulburn Mulwaree Local Infrastructure Contributions Plan 2021* (the new plan), generally in accordance with this report.
7. All remaining balances in the reserves for the former (pre-2009 Infrastructure Contributions Plans), with the exception of stormwater, be transferred to offset some of the deficit in the Ducks Lane Traffic Reserve. Any further income from the former plans to be transferred to Council's unrestricted cash balances due to the expenditure requirements in these plans having been satisfied.
8. The deficit in the Ducks Lane Traffic Reserve be reimbursed over a 10 year period from Council's unrestricted cash reserve, or an earlier timeframe should other funding opportunities arise in the interim.

Section 375A of the *Local Government Act 1993* requires General Managers to record which Councillors vote for and against each planning decision of the Council, and to make this information publicly available.

INTRODUCTION

Council engaged GLN Planning to prepare a new Developer Contributions Plan (Local Infrastructure Contributions Plan (referred to as the '**Draft Plan**' or '**New Plan**') under Section 7.11 and 7.12 (former s94 and s94A) of the *NSW Environmental Planning and Assessment Act, 1979*.

Council resolved on 6 October 2020 to publicly exhibit the Draft Plan for a minimum period of twenty eight days (28), upon which no submissions were received.

This report follows the public exhibition of the Draft Plan and recommends that it be adopted and that the current plans be repealed. The report also considers minor amendments to the plan as suggested upon further review by staff and the Executive. It also considers the next steps such as the commencement of the Plan and transfer of funds from existing accounts along with the ongoing review of the plan.

Note: This report does not propose any changes to contributions proposed for future stormwater drainage, sewer and water upgrades. It is intended that these contributions will continue to be levied in separate Developer Servicing Plans under s64 of the *Local Government Act, 1993*.

BACKGROUND

The existing Developer Contributions Plans were prepared in 2009, with the inclusion of the heavy vehicle haulage provisions occurring in 2016. This is a significant problem as prior to 2009 the overall population of the LGA was in decline. Since contributions plans are based on growth, this made it difficult in 2009 to find a nexus between new development and contributions (except where the new subdivisions were proposed at the time in Marys Mount, Ducks Lane and Clyde Street). The existing plans therefore adopted a section 94A levy (now section 7.12) for development which only charges at 1% of the total construction cost.

This type of charge (1% levy) is considerably lower than a standard Section 7.11 contribution per lot/dwelling. Ideally the plan should have been reviewed when a pattern of growth rather than

decline became apparent. Such a review would likely have resulted in a return to 7.11 contributions instead of the lower levy.

This has not occurred which has resulted in a situation where there is an 11 year gap (over a period which has seen on average 1.37% residential growth per annum) and therefore a major shortfall between what the current rates are and ideally what they should be for a growing area.

The recently adopted Goulburn Mulwaree *Local Strategic Planning Statement* identifies the review of infrastructure funding within developer contributions plans as a high/short term priority.

REPORT

Public Exhibition

In accordance with Clause 28 of the *NSW Environment and Planning Act Regulations 2000* and Council's *Community Participation Plan* the Draft plan was exhibited for a period of thirty three (33) days from 22 October 2020 until 23 November 2020. Notice of the Draft Plan's exhibition was provided on Council's website and in the Goulburn Post.

In addition to this a Council Stakeholder list of two hundred and ninety eight (298) stakeholders in the local development industry **were notified directly by email**. The list comprised of local developers, builders, architects, surveyors, development consultants, real estate agents, solicitors and conveyancers, amongst others.

Copies of the exhibition material (Draft Plan and notice) were made available on Council's website, at the Council offices and in the Goulburn Mulwaree Library.

No submissions from the public were received.

Internal Submissions

Some minor changes have been suggested by staff to the written document and to the works schedule. This is also in response to a master planning exercise undertaken by the Executive and key operational staff following the adoption and endorsement of the *Urban and Fringe Housing Strategy* by the Department of Planning, Industry and Environment.

The following is a list of suggested changes to the written document which are included in the updated Draft Plan (**Attachment 1**):

Table 1 – Written Document Changes

Page	Section		Comment
1	Plan Summary	s.7.11 Rates Table	Secondary dwellings are listed in the same category as single bedroom dwellings, boarding houses etc. Some secondary dwellings can be quite large as the LEP allows floor area to be up to 80% of the principal dwelling. Therefore there are secondary dwellings with 3 + bedrooms. Secondary dwellings are now included in the other bedroom categories in the table.
3	Plan Summary	s.7.11 Rates Table – Extractives/Heavy Haulage	The rates identified are for the previous financial year and have been updated to be consistent with the current 20/21 rates. Rates are \$5.04 per tonne over the length of road; or \$0.0252 per ESA per km of haul road used. This has been corrected throughout the document to reflect these rates.
5	1.1	Name and purposes of the plan	Edits – with bullet point and subclauses, there is inconsistent use of upper and lower case lettering for the start of the line. Separation of "Name and Commencement" and having another sub heading for "Purpose". <i>Note: GLN later advised this was intentional as it links with "worked examples". Commencement date to be added if adopted.</i>

8	1.2.2	Developments affected by the plan	Auto format numbering is out for Type (b) development and has been corrected.
9	1.2.3	Application for exemptions	<p>“...seeking exemptions for seniors housing [insert] or for affordable housing, must provide....”</p> <p>Insert footnote in relation to Application for Exemption section in relation to charities and Not-for-profits:</p> <p>Insert footnote: “As registered with the Australian Charities and Not-for-profits Commission.”</p>
10	1.3.2	Developments affected by the plan	Increase threshold for payment of the s. 7.12 levy from \$100K to \$200k to provide consistency for the application of this levy across all development types. Updated throughout document.
11	1.4.1	Table 1	As per comments on p.1 above. Table amended.
15	1.5.4	Worked Examples	Additional worked example to be added for a subdivision where 7.11 contributions were paid. Example added.
16	2.1	Monetary contributions	As per p.5 consistency with capitalisation after bullet points – corrected.
17	2.2.3	Adjustment to contribution rates	As per above. Also first dot point - add semi colon after “for Sydney; and” full stop at end of second dot point “... Roads and Bridges Construction.”
18	2.3.3	Who may provide a Cost Summary Report	Alternatively, it was suggested that where no cost report is provided for a development under \$1million, that the applicant be given the option of accepting the Council cost assessment using a standard costing guide or equivalent. Suggestion added.
19	2.4.1	Complying development certificates	As per p.17 add semi colons to end of lines following bullet points and an “and” at the end of the second bullet point – corrected.
23	3.1	Timing of payments	Add full stops at the end of each bullet point line.
24	3.4	Can the contribution be settled by...	<p>Apply consistent approach to use of capitalisation.</p> <p>After (a) include a semi colon and “; or”.</p> <p>After dot points add “; and” – as appropriate.</p>
26	4.1	Relationship of this plan...	<p>Full stop after each dot point line.</p> <p>Insertion of additional sentence at end:</p> <p>“Contributions imposed on development under the above plans and paid to or held by Council will be applied to completing the works schedules in this plan”.</p>
26	4.4	Accountability and access ...	Insertion of semi colons after each bullet point and “; and” before the last bullet point.

The following changes have been made to the infrastructure/works schedule in Appendix B (Roads and Active Transport):

Additional Matters

Table 2 – Proposed Additions to Works Schedule – Roads and Active Transport

Item for Inclusion	Reason
3 x Roundabouts Middle Arm Road (one to connect to Dalley Street link) – Approximately \$600,000	One of these roundabouts was identified in the current s94 plan and another was identified as an intersection upgrade. Given the amount of development identified in greenfield development under the <i>Urban and Fringe Housing Strategy</i> (and to be transparent in relation to outstanding works) it is considered that these roundabouts should be specified. The

each.	third roundabout is based on likely development north of the gas pipeline.
Chinaman's La (to link new residential north and south of Chinaman's La – Sooley Precinct – Approximately \$600,000.	Identified in the master planning exercise for upcoming infrastructure requirements from the Urban and Fringe Housing Strategy.
Chinaman's La/Crookwell Rd – Approximately \$600,000.	Identified in the master planning exercise for upcoming infrastructure requirements from the Urban and Fringe Housing Strategy.
Crookwell Rd/ Mistful Park – – Approximately \$600,000.	Identified in the master planning exercise for upcoming infrastructure requirements from the Urban and Fringe Housing Strategy.
Middle Arm Road and Marys Mount Road - \$600,000	Identified in the master planning exercise for upcoming infrastructure requirements from the Urban and Fringe Housing Strategy. This will be identified in relation to existing development and future growth of the North Goulburn area.

Deleted Items

Table 3 – Proposed Deletions from Works Schedule – Roads and Active Transport

Item for Removal	Reason
R21 - Brisbane Grove Rd upgrade	<p>Some upgrading of this road was undertaken in association with the works for the new Lansdowne Bridge.</p> <p>Currently the <i>Urban and Fringe Housing Strategy (Housing Strategy)</i> only identifies rural residential development south of the Hume Highway (due to servicing constraints for Council water and sewer). Residential supply in this location in the Strategy is limited to approximately 132 lots. Necessary further upgrades to this road could be conditioned on development consents for subdivision if required.</p> <p>The main route into Goulburn from the south under the infrastructure master plan (prepared following the Housing Strategy) funnels traffic into town via Bungonia Road or Braidwood Road.</p> <p>Braidwood Road is a State/regional road and there are plans to upgrade Windellama Road to a regional road also. This potential change in road classification will have implications for funding if it occurs.</p> <p>Lansdowne Bridge is less susceptible to flood and at this point is the safer route for those accessing this precinct. Flooding on Braidwood Road may have implications for upgrade also.</p>
R27 - Link road between Crookwell Road and Middle Arm Road – north of the APA gas pipeline	<p>This link road is not likely to happen in the next 10 – 15 years (depending on the rate of growth in new areas identified in the <i>Urban and Fringe Housing Strategy</i>).</p> <p>Whilst a small area of urban development is identified on the Crookwell Road frontage (western edge of precinct above the gas pipeline) the area fronting Middle Arm Road on the eastern side of the precinct is identified as a future urban area – post 2036. Therefore the need to provide a link will not be likely for a while.</p> <p>Council can always amend the Plan and add the link road if this situation is likely to change.</p>

The removal of the Crookwell Road – Middle Arm Road Link and Brisbane Grove upgrade is partly compensated by the addition of the roundabouts. However, it should be noted that the rate for Goulburn will be reduced from \$18,361 (per 3 bedroom dwelling) to \$17,706 (per 3 bedroom dwelling), being a reduction of \$655. Given the lack of submissions and the actual reduction of the rate to better reflect likely infrastructure needs over the next 10 – 15 years, it is considered that the change to the contribution rate will not trigger the need for re-exhibition of the Draft Plan.

It is important that the works schedule is as accurate as possible and reflective of likely works. In this regard the master planning process following the adoption and endorsement of the Urban and Fringe Housing Strategy has refined the works schedule to be more reflective of likely works required given the proposed greenfield urban release areas identified as coming on line up to 2036.

A copy of the Draft Plan as amended by the above changes detailed in Tables 1 - 3 is attached (**Attachment 1**). The following table identifies the amended rates based on the changes outlined in this report.

Section 7.11 contribution rates for residential developments

	Per resident in a group home or hostel	Per 1 bedroom dwelling, 1 bedroom secondary dwelling, boarding house room, or self-contained seniors housing dwelling	Per 2 bedroom dwelling, and 2 bedroom secondary dwelling	Per 3 or more bedroom dwelling, 3 bedroom secondary dwelling, dwelling house, or lot with a dwelling entitlement
Goulburn Catchment				
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Plan administration and management	\$71	\$93	\$114	\$171
Total	\$4,824	\$6,272	\$7,718	\$11,577

The following table includes the updated haulage rates based on the current rate adopted in the 20/21 Council fees and charges.

Section 7.11 contribution rate for extractive industries, mines and other heavy vehicle haulage uses

Basis of levying*	Contribution rates
Amount of material hauled	5.04 cents per tonne of material over the total length of road
Length of haul road used	\$0.252 per ESA per kilometre of haul road used

* Either method may be applied to a development consent

The following table includes the amended 712 rates:

Section 7.12 levy rates

Development type	Levy rate
Development that has a proposed cost of carrying out the development:	
• up to and including \$200,000	Nil
• more than \$200,000	1% of that cost

Relationship to Other Contributions Plans

The Draft Local Infrastructure Contributions Plan is intended to repeal the current contributions plans. Section 32 of the *Environmental Planning and Assessment Act Regulations 2000* provides for the repeal of contributions plans by adopting a subsequent contributions plan and publishing a notice of this on its website.

The majority of works in the current contributions plans have been completed. There are some outstanding works in Marys Mount including:

- Middle Arm Road upgrade 2 x roundabouts (this is covered in the generic intersection upgrades)
- 1 turn treatment (this is covered in the generic intersection upgrades)

In the Clyde Street precinct the remaining section of the link road and some other intersection traffic management measures are outstanding.

The more significant works are rolled over in the new works schedule in the Draft Plan. There are a number of generic items added to the schedule that also pick up smaller outstanding items such as intersection upgrades, traffic improvements and road upgrades.

Contributions imposed on development under the current plans (and if repealed – former plans) and paid to or held by Council, will be applied to completing the works schedules in this Draft Plan if adopted.

Commencement of the New Plan

In order to allow for most of the current development applications to be determined and for industry and staff to adjust to the new plan it is recommended that Council adopt the Draft Plan with a delayed commencement date of 1 June 2021. The delayed commencement will still allow for capital works projects currently underway to draw from the new fund this financial year as well as providing a transitional window for all users.

Implementation – Next Steps

1. Existing Contribution Reserves

a. Contribution Reserves from Current Plans (to be repealed)

Upon adoption and commencement of the new plan, funds will need to be pooled and transferred from the old (2009) plans to the new plan on a periodic basis. The old plans will continue to receive contributions due to development consents being operational for a period of time into the future (some consents will lapse or be completed within 5 years but some operational consents may be active for a longer period). The transfer of funds into the new plan is required given the time lag between the consents issued under the new plan and the payment of contributions.

One of the amendments to the Draft Plan (as exhibited) is the insertion of a sentence stating “*Contributions imposed on development under the above plans and paid to or held by Council will be applied to completing the works schedules in this plan*”. Outstanding works from the 2009 plans have been included in the works schedule for the new plan as either specific items or in generic items (such as intersection upgrades etc).

The transferral or rolling over of the unspent funds from the *Section 94 and Section 94A Levy Contributions Plans 2009* into the new plan, will allow Council to continue to deliver its work program in a timely manner and provide facilities to the community without having to wait until maturity of the plan. However the following funds will be excluded from the transfer:

- Funds collected for stormwater, will be retained in separate accounts as the new plan does not include stormwater projects. All stormwater reserves will be retained until a review of Council Section 64 Stormwater Contributions Plan is complete.
- Funds for the Ducks Lane traffic reserve are in deficit. Therefore, it is recommended that this account be reimbursed over a 10 year period from Council's unrestricted cash reserves, or an earlier timeframe should other funding opportunities arise in the interim.

b. Contribution Reserves from Repealed Plans (Older Plans – pre 2009)

Due to the time lag with consents being activated, there are still small contributions coming in from older pre 2009 contributions plans. Since all expenditure requirements in the plans have been satisfied, it is recommended that (with the exception of stormwater) all remaining balances in the reserves for the old plans be transferred to offset the deficit in the Ducks Lane Traffic Reserve (under the *Goulburn Mulwaree Section 94 Contributions Plan 2009*) with any further funds received to be transferred to Council's unrestricted cash balances.

2. *Accounting Systems to Implement Plan*

Statutory requirements regarding accounting systems for contributions and levies are provided in Section 35 of the *Environmental Planning and Assessment Act Regulations 2000* as follows:

35 Accounting for contributions and levies

- (1) *A council must maintain accounting records that allow monetary section 7.11 contributions, section 7.12 levies, and any additional amounts earned from their investment, to be distinguished from all other money held by the council.*
- (2) *The accounting records for a contributions plan must indicate the following—*
 - (a) *the various kinds of public amenities or services for which expenditure is authorised by the plan,*
 - (b) *the monetary section 7.11 contributions or section 7.12 levies received under the plan, by reference to the various kinds of public amenities or services for which they have been received,*
 - (ba) *in respect of section 7.11 contributions or section 7.12 levies paid for different purposes, the pooling or progressive application of the contributions or levies for those*

- purposes, in accordance with any requirements of the plan or any ministerial direction under Division 7.1 of the Act,*
- (c) the amounts spent in accordance with the plan, by reference to the various kinds of public amenities or services for which they have been spent.*
- (3) A council must disclose the following information for each contributions plan in the notes to its annual financial report—*
- (a) the opening and closing balances of money held by the council for the accounting period covered by the report,*
 - (b) the total amounts received by way of monetary section 7.11 contributions or section 7.12 levies during that period, by reference to the various kinds of public amenities or services for which they have been received,*
 - (c) the total amounts spent in accordance with the contributions plan during that period, by reference to the various kinds of public amenities or services for which they have been spent,*
 - (d) the outstanding obligations of the council to provide public amenities or services, by reference to the various kinds of public amenities or services for which monetary section 7.11 contributions or section 7.12 levies have been received during that or any previous accounting period.*

In addition to the above, on 18 May 2020 a Ministerial Direction under the Environmental Planning and Assessment Act (Local Infrastructure Contributions – Pooling of Contributions) was gazetted. This direction prescribed that if a council holds monetary contributions that have been paid for different purposes under Section 7.11 or 7.12 of the EP & A Act, including for purposes identified in more than one contributions plan, the council is to endeavour to pool those contributions and apply them progressively, in order to facilitate the provision of the public amenities and services to which any of those contributions plans relate. This direction is reiterated in Section 7.3 of the *Environmental Planning & Assessment Act*.

The new plan will (if adopted) will pool relevant funds and allocate funds based on the timing of projects in the works schedule. The accounting for pooled funds can be associate with a running report linked to the actual works schedule which details apportionment, funds allocated, grants/budget allocated, where spent and when etc. This will ensure an appropriate database to meet reporting requirements and to track the progress of the new plan.

3. *Ongoing Plan Review*

Clause 33 A of the *Environmental Planning and Assessment Act Regulations 2000* requires Council's to keep contributions plans under review. The *Urban and Fringe Housing Strategy* also requires Council to undertake a yearly monitor of progress/uptake of residential development. It is considered that the Housing Monitor can be used as a mechanism for contributions review for residential development and associated infrastructure. Furthermore, as new capital works projects or changes are made to legislation the Contributions Plan will require updating.

NSW Productivity Commission Review of Contributions System

Council made a submission to the Infrastructure Contributions System Review. The final Productivity Commission report has been submitted and key findings include:

- Rates- The long-standing practice of rate pegging acts as a disincentive to development and growth as it impedes the fiscal sustainability, and constrains the fiscal flexibility, of local government. It therefore constrains the ability of local councils to service growing communities, including by way of discretionary funding. The rate peg should be reformed to accommodate population growth so that general population costs can be removed from infrastructure contributions. IPART should also establish benchmark costs based on efficient delivery, and review the essential works list to ensure that only *development-contingent items* are funded by infrastructure contributions.
- State infrastructure contributions plans (SICs) – No SIC is proposed for this region as yet. SICs are identified for: Greater Sydney, Hunter, Central Coast, Illawarra and Shoalhaven.
- Biodiversity -A new contribution category for biodiversity offsets should be created under Part 7 of the EPA Act, and a biodiversity contribution should be adopted for areas subject to biodiversity certification in addition to proposed regional contributions.
- Water Infrastructure - water infrastructure can be funded more efficiently through *cost-reflective developer water charges*, which would also help to contain growth in household water bills. Such water connection charges should be phased-in over time, and a temporary exemption should apply to developments completed prior to 1 July 2026. The State Government should also develop a service level agreement for Sydney Water and Hunter Water regarding the expenditure of developer water charges funding.

Priority Reforms include:

- removing the disincentive for local councils to accept development and growth by allowing for the local government rate peg to reflect population growth,
- ensuring charges can be properly factored into feasibility studies by requiring contributions plans to be developed prior to rezoning,
- introducing a direct land contribution obligation for landowners following rezoning to provide early and adequate funding for land,
- managing the costs and complexity of s7.11 local contributions plans by using benchmark costs and focusing the role of IPART in reviewing such plans,
- removing barriers to construction and improving project feasibility by deferring payment of local contributions to the occupation certificate stage of development,
- providing a simpler option for local councils by increasing the maximum rate of s7.12 fixed development consent levies in certain circumstances,
- limiting the use of state and local planning agreements to direct delivery of works and supporting infrastructure for 'out of sequence' developments,
- addressing insufficient and ad hoc s7.24 special infrastructure contributions through the implementation of modest and simple broad-based regional charges,
- ensuring the beneficiaries of major transport investments contribute to costs by implementing an additional state contribution for rezoned properties within station service catchments,
- taking pressure off household water bills by transitioning to cost-reflective developer charges for water connections,
- making the infrastructure contributions system easier to navigate and comply with by providing and maintaining clear and rationalised guidance and comprehensive digital tools,
- being more transparent in reporting on how much money is collected and where it is spent.

Council has based the Draft Plan on the *Urban and Fringe Housing Strategy* (UFHS) and best available population projections, therefore the approach is consistent with the above reform recommendations. Furthermore, urban releases are already identified in the UFHS so developers can work out feasibility.

The use of benchmark costs and role of IPART in reviewing future plans needs more detail to understand the full implications. IPART is slower than the current system (if contribution rates are kept under the \$20K cap) and may add more complexity to plan preparation etc. Increasing the rate of s7.12 contributions to 3% would be helpful for residential development. With the implementation of the Draft Plan local planning agreements will naturally be limited to direct delivery of works and supporting infrastructure for 'out of sequence' developments.

Currently there is a temporary allowance for contributions to be paid prior to an occupation certificate (due to the pandemic), however given the number of developments that are occupied prior to gaining the certificate (or traded without the occupation certificate), this approach could be problematic in future and is not recommended to be included in the Draft Plan.

Timing for Reforms

The State government is currently reviewing the recommendations and will consider the views of stakeholders in developing a roadmap to start to implement some of the reforms by early 2021. The reforms are not expected to be implemented in full until early 2023. Given the timeframes, it is recommended to progress with the adoption of the Draft Plan.

CONCLUSION

In conclusion, the existing Contributions Plans are nearly completed in relation to the works schedules and are relatively narrow in the remaining scope of works. The previous approach to Contributions Planning with widespread application of a Section 7.12 (former 94A) levy was based on a no growth or negative growth scenario prior to 2009. Since 2009 there has been a decade of continual growth at an average rate of 1.37% per annum. The current contributions plan has not kept pace with this development and growing community expectations for regional class community and open space facilities.

With the proposed expansion of residential development under the *Urban and Fringe Housing Strategy*, further strain will be placed on existing revenue sources if the developer contributions are not increased. The Draft Plan identifies approximately \$203 million in future infrastructure and provides for approximately \$51 million in funding from developer contributions. It is, therefore, an appropriate time for a new local infrastructure contributions plan to be introduced to capture both new development and planned capital works projects.

The *NSW Environmental Planning and Assessment Regulations 2000* requires ongoing review of contributions plans. With the current plans adopted in 2009 and amended (with haulage provisions in 2016), it is timely to adopt plans which are reflective of both future growth and new/upcoming capital works projects.

The new plan will provide clarity on Council's works schedule into the future which provides important information to the community and development industry on the management of growth in relation to local public infrastructure.

It is recommended that the Draft Plan be adopted subject to the recommendations in this report (included in the Attachment 1 version), and that the current plans be repealed to commence on 1 June 2021.