



# **Attachment 1 to Item 36**

---

Draft Submission to NSW  
Government's proposed reforms to  
Infrastructure contributions system

Date of meeting: 22 February 2022  
Location: By audio-visual link  
Time: 6:30 p.m.





## **Submission by Hawkesbury City Council to the NSW Government's Infrastructure Contributions Reforms**

**Department of Planning, Industry and Environment**

**February 2022**

### **Executive Summary**

Hawkesbury City Council has reviewed the NSW Government's infrastructure contributions reforms package including twenty-three documents prepared by the then Department of Planning, Industry and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) which were placed on public exhibition until 10 December 2021.

Council acknowledges that a significant amount of work has been undertaken to progress the reforms to this stage and is broadly supportive of the Government's aims to review the infrastructure contributions system.

This submission is structured to address the key aspects of the reforms which impact on Hawkesbury City Council which are:

- Regional Infrastructure Contribution (RIC)
- Changes to s7.12 contributions plan rates
- Land Value Contribution (LVC) and land costs generally
- Alignment of planning proposals and contributions plans
- Other components of the reforms including the Infrastructure Contributions Practice Note Review.

Council has made sixteen recommendations on the reforms package to be considered by DPIE as the reforms progress. The list of recommendations is shown on the following pages.

**Recommendation 1:**

The proposed North West Growth Area SIC should be made prior to July 2022, or alternatively the infrastructure identified in the proposed SIC should be fast-tracked into the new RIC Growth Infrastructure Needs Long List, to ensure that the regional infrastructure required to support the North West Growth Area is included in the relevant infrastructure funding mechanism.

**Recommendation 2:**

The Greater Sydney Region should be divided into smaller sub regions to ensure that funds collected via the RIC are spent to deliver infrastructure where growth is occurring.

**Recommendation 3:**

The entire RIC prioritisation and governance framework should be linked to growth and population forecasts to ensure that infrastructure is prioritised for Sydney's growth areas including the North West Growth Area and other parts of the Hawkesbury LGA.

**Recommendation 4:**

The RIC fund allocation process should include the publishing of the full list of projects that were considered for funding, the reasons why projects were successful or unsuccessful, and an independent appeal and review process where councils and other stakeholders can appeal RIC investment decisions made by the State government.

**Recommendation 5:**

Council supports the proposed s7.12 contribution rates for residential and non-residential contained in the draft Regulation.

**Recommendation 6:**

The Land Value Contribution should be based on the sale price of the land so that it more accurately reflects the actual cost of acquiring land identified in a contributions plan.

**Recommendation 7:**

The Land Value Contribution method should include an allowance for costs incurred when acquiring land identified in contributions plans under the Just Terms Compensation Act.

**Recommendation 8:**

The Land Value Contribution Area should be uncapped where it can be demonstrated that it is based the efficient design of infrastructure to ensure there is no funding gap.

**Recommendation 9:**

Amend the definition and process for determining a Land Value Contribution Areas to ensure it excludes all land which is not subject to intensification under a planning proposal.

**Recommendation 10:**

Update the proposed amendment to the Act or Regulation to allow a Land Value Contribution obligation to be satisfied by a developer dedicating Public Purpose Land identified in the contributions plan.

**Recommendation 11:**

Allow councils to develop and utilise their own customised Land Value Index to index the value of land to be acquired and land contributions by engaging a certified valuer annually.

**Recommendation 12:**

Provide a consistent approach for assessment of acquisition costs associated with contribution plans generally, that is based on actual costs and is able to be readily adjusted to factor in ongoing changes in land costs.

**Recommendation 13:**

The timely preparation and approval of contributions plans alongside planning proposals requires the active involvement of State government agencies in the efficient design / master planning phase, and commitments by those agencies to sign off on infrastructure requirements for planning proposals in a reasonable time. The State government should therefore develop and require agencies to adhere to protocols for involvement and timely decision making in the master planning phase.

**Recommendation 14:**

Extend the timeframe for adoption of a contributions plan or planning agreement from 6 months to 12 months after the gazettal of a planning proposal, to minimise the likelihood of Council being unable to levy contributions on new development where a contributions plan has been delayed.

**Recommendation 15:**

The proposed timing for the review of existing contributions plans and adoption of new contributions plans (1 July 2024) should be aligned with the proposed essential works list transitional arrangements (mid to late 2025) to allow Council to efficiently review and adopt new plans and avoid the need to undertake a further review and update of its new plans shortly after adoption.

**Recommendation 16:**

Amend the EP&A Regulation to allow councils to immediately adopt a contributions plan once amendments required by IPART and the Minister have been made, without the need to consider further exhibition.

## 1. Introduction

Hawkesbury City Council has a population of more than 67,000 residents living in urban and rural communities spread across an area of 2,800 square kilometres, making Hawkesbury the largest local government area in metropolitan NSW.

Council has a suite of existing local infrastructure contributions plans to help fund the provision of infrastructure to support the growth occurring across the LGA including:

- Vineyard Precinct S7.11 Contributions Plan
- Section 7.11 Contributions Plan 2015
- Section 7.12 Contributions Plan 2015
- Section 7.11 Contributions Plan 2008

The NSW Government's exhibited infrastructure contributions reforms package provides details on implementing changes to the infrastructure contributions system. The ultimate goal is a system that is more **certain, efficient, simple, transparent, and consistent** - reflecting the recommendations made through the NSW Productivity Commissioner's 2020 review of the NSW infrastructure contributions system which have been endorsed by the NSW Government.

The proposed reforms, if legislated and adopted, will impact the way State and local governments plan for and fund the delivery of infrastructure to support new and existing communities. The proposed changes will also impact the amount of contributions developers will be required to pay, and how and when they will be able to satisfy their contribution obligations.

Hawkesbury City Council officers have reviewed the exhibited contributions reforms package prepared by the then Department of Planning and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) in the context of their implications for Council and its community.

The review had a particular focus on the financial implications of the reforms, and what the reforms will mean for strategic and infrastructure planning processes. We have identified



several issues throughout the submission which should be addressed prior to the finalisation of the contributions reforms package. Council officers would be happy to discuss any aspect of this submission in greater detail with DPIE officers.

## 2. Regional Infrastructure Contribution (RIC) framework

The proposed RIC framework will replace the current Special Infrastructure Contributions (SIC) system and will apply to all new residential, commercial, retail and industrial development across four high-growth regions. The Hawkesbury local government area is located in the RIC's Greater Sydney region.

The RIC will be made up of three component charges:

- **Regional Infrastructure Contribution** (Base Contribution): all applicable development within a RIC region,
- **Transport Project Component**: only applicable development within a specified service catchment of a major transport project within a RIC region, and
- **Strategic Biodiversity Component**: only applicable development within specified areas subject to strategic biodiversity certification within a RIC region.

### Transitional arrangements for existing and proposed SICs

Under the current SIC framework, there are seven implemented SICs and eight draft SICs. One of the implemented SICs (Western Sydney Growth Areas) currently applies to a portion of the Hawkesbury LGA at Vineyard within the North West Growth Area. A proposed SIC that applies exclusively to the North West Growth Area SIC has been publicly exhibited but has not yet been adopted.

The exhibition package notes that existing SICs will remain in-force and will transition into the RIC in future, with the timeframe for transition currently unknown. It also notes that no new SICs will be implemented after July 2022, which means that the adoption of the North West Growth Area SIC appears unlikely in its current form.

The transition of existing Western Sydney Growth Area SIC infrastructure items into the RIC is supported, provided that all of the infrastructure is included in the proposed RIC Growth Infrastructure Needs Long List (GINLL) which will form the list from which infrastructure projects are prioritised and funded.

The proposed North West Growth Area SIC was both:

- publicly exhibited, and
- based detailed investigations and studies which update and revise the infrastructure needs of this region to support the existing and planned growth.

Given that there will be no new SICs implemented after July 2022, it is recommended that either the proposed North West Growth Area SIC be finalised before that date, or the updated infrastructure list be fast-tracked into the RIC GINLL to ensure that the RIC includes the key infrastructure already identified to support the North West Growth Area and the Vineyard precinct specifically.

#### **Recommendation 1:**

The proposed North West Growth Area SIC should be made prior to July 2022, or alternatively the infrastructure identified in the proposed SIC should be fast-tracked into the new RIC Growth Infrastructure Needs Long List, to ensure that the regional infrastructure required to support the North West Growth Area is included in the relevant infrastructure funding mechanism.



## Funding allocation and governance

The exhibition material for the RIC indicates that all contributions collected by the RIC will go into the RIC Fund to contribute towards the delivery of regional infrastructure anywhere in the region they were collected.

Under this arrangement, it is inevitable that contributions will be collected from one LGA and allocated to projects in another LGA. This system is not dissimilar to how the current SIC operates, however SIC areas are much more concentrated and typically apply to specific growth areas, meaning that SIC funds are invested in infrastructure that are likely to provide some degree of benefit to the development that made the contribution.

The Greater Sydney RIC region is much larger than the existing SIC areas, meaning that it will be difficult to ensure that funds collected from a specific development will be spent on infrastructure in and around the area where the development is occurring. The Greater Sydney region should be re-examined and divided into smaller sub-regions that reflect areas of growth and catchments that generate demand for regional infrastructure. This will ensure that funds collected to deliver infrastructure required to support development will be allocated and spent where growth is occurring.

The issue of where RIC income is collected and spent has been raised by many councils across Sydney, prompting a media release from the Minister for Planning on 24 November 2021 which advised that the reforms package would be updated to ensure that RIC contributions were spent within the region from which they are collected.<sup>1</sup> While this is a positive outcome, this only addresses spending within the existing defined RIC regions, and does not address the issue of the collection and spending of funds within a large and diverse RIC region such as the Sydney metropolitan area.

Decisions made by the NSW Government regarding project prioritisation and fund allocation must be linked to, and informed by, robust growth and population forecasts and infrastructure needs assessments to ensure that funds are allocated to projects which will meet emerging or existing regional infrastructure demand and support the projected growth.

The decision-making process for annual RIC funding should be transparent so stakeholders are clear as to why projects were successful or unsuccessful in receiving funding. We recommend that the following information be made publicly available during the process:

- A full list of projects that were nominated and/or considered for RIC funding
- The reasons for selecting the successful projects and the reasons why the other projects were unsuccessful.

### Recommendation 2:

The Greater Sydney Region should be divided into smaller sub regions to ensure that funds collected via the RIC are spent to deliver infrastructure where growth is occurring.

### Recommendation 3:

The entire RIC prioritisation and governance framework should be linked to growth and population forecasts to ensure that infrastructure is prioritised for Sydney's growth areas including the North West Growth Area and other parts of the Hawkesbury LGA.

### Recommendation 4:

The RIC fund allocation process should include the publishing of the full list of projects that were considered for funding, the reasons why projects were successful or unsuccessful, and an independent appeal and review process where councils and other stakeholders can appeal RIC investment decisions made by the State government.

---

<sup>1</sup> [Local Government NSW agrees on infrastructure changes](#) - dated 24 November 2021



### 3. Changes to section 7.12 plan contribution rates

#### Current s7.12 rates

Hawkesbury City Council's Section 7.12 Contributions Plan 2015 levies development contributions at the maximum rate specified in clause 25K(1)(a) of the EP&A Regulation 2000 as follows:

- No levy on a development where the development cost is \$100,000 or less.
- 0.5% on a development where the cost of development is between \$100,001 and \$200,000.
- 1% where the cost of development exceeds \$200,000.

#### Impact of new 7.12 rates

The reforms propose to introduce fixed s7.12 contribution amounts based upon the type of residential development that is proposed (approximating 3% of the development cost), or in the case of retail, commercial and industrial development, a rate per square metre of development area (approximating 1% of the development cost).

Hawkesbury City Council has undertaken a high-level financial analysis to predict future s7.12 contributions income under the existing and proposed s7.12 rates, informed by historic trend data on development approvals and s7.12 income received, and forecast future development. Our analysis concluded that the proposed s7.12 rates will generate additional income for Council compared to the current s7.12 rates.

Council supports the proposed s7.12 rates contained in the draft Regulation and welcomes the intention to periodically adjust the rates via the "Roads and Bridges Producer Price Index" to ensure that the rate that Council can levy increases over time commensurate with increases in the cost of delivering infrastructure.

#### **Recommendation 5:**

Council supports the proposed s7.12 contribution rates for residential and non-residential contained in the draft Regulation.

### 4. Land Value Contribution (LVC)

A key recommendation of the Productivity Commission's review was the introduction of a Land Value contribution (LVC) to the local contributions system.

The key principles of the exhibited LVC are:

- It will be a monetary contribution imposed on landowners in a rezoning area at sale or development of their land, whichever comes first.
- The decision to adopt a LVC regime for a rezoning area will be at the discretion of the Council.
- The monetary contribution will be a percentage of the subject land's value proportionate to the percentage of public land in the Land Value Contributions Area.
- The maximum LVC rate that can be collected is capped at 20% of land value.
- The Land Value Contribution Area is identified in a contributions plan for the area as land that is being zoned for more intensive development and contributes to an increase in demand for Public Purpose Land.
- The value of land for the purposes of determining a LVC will be the most recent value published by Valuer-General (VG) in accordance with the Valuation of Land Act 1916, section 6A.





An intended outcome of introducing the LVC method is to encourage early land acquisition by councils and reduce costs of infrastructure as a result of Councils receiving contributions earlier in the development process than would ordinarily be the case under a traditional contributions plan.

However, a review of the proposed LVC method has identified a number of issues which affect the viability of the LVC and which are summarised below:

## Land values and funding shortfalls

The proposed land valuation methodology for the LVC utilises Valuer-General valuations, rather than market value. It is noted that the Productivity Commissioner intended that the LVC would be based upon the sale price of the land (i.e., its market value).<sup>2</sup>

When a council needs to compulsorily acquire land identified in the contributions plan, it needs to pay the agreed market value for the land under the provisions of the *Just Terms Compensation Act* which is usually significantly greater than the VG's assessment. If market value is not used, LVCs will never keep pace with the actual price of land that has to be acquired and the contributions plan will collect sufficient land contributions to meet the costs of land acquisition. The reforms also appear to exclude a mechanism for councils to collect contributions to cover costs incurred through the Just Terms land acquisition process.

### Recommendation 6:

The LVC should be based on the sale price of the land so that more accurately reflects the actual cost of acquiring land identified in a contributions plan.

### Recommendation 7:

The LVC method should include an allowance for costs incurred when acquiring land identified in contributions plans under the Just Terms Compensation Act.

## Calculating the Land Value Contribution Area (LVCA)

To incentivise the efficient design of infrastructure in a LVCA, DPIE proposes a maximum 20% cap on the amount of land that can be required for local infrastructure. There is no logic in setting a maximum 20% LVC if the real proportion of Public Purpose Land (Public Purpose Land) to LVCA is greater than this amount. This is particularly so where land identified for a public purpose is based on adopted standards and rates of provision and approved by DPIE during the rezoning process.

Placing a cap on the LVC could be detrimental to Council's ability to fund land acquisitions in greenfield areas where the amount of Public Purpose Land in a LVCA exceeds the 20% cap. In this situation, Council would need to find additional funding outside of the LVC to fund acquisition the additional Public Purpose Land.

### Recommendation 8:

The Land Value Contribution Area should be uncapped where it can be demonstrated that it is based on the efficient design of infrastructure to ensure there is no funding gap.

## Implementation issues

A practical analysis of the exhibited worked examples for the proposed LVC show:

- It is very difficult to accurately define the LVCA based upon the examples of existing developed land and land that has been rezoned for intensification contained in the worked example. This leaves the LVCA calculation open to debate.

<sup>2</sup> Review of Infrastructure Contributions in New South Wales – Final report, Page 56, NSW Productivity Commission



- LVCs are assumed to be made by the owners of RE1 and SP2 zoned land that is not included in the Public Purpose Land to be acquired under the contributions plan. Such land may never be sold or seek DA approval, thus never triggering an LVC.
- If land is not able to be developed for more intense use, it is less likely to be sold and therefore no LVC will be paid on it. This confirms that the LVCA should not include land which is not subject to intensification.

The amendment Act or the amendment Regulation do not contain provisions which allow a LVC to be satisfied via a developer dedicating Public Purpose Land. Without the ability for a developer to satisfy its LVC through the dedication of land councils will be forced to acquire each portion of Public Purpose Land in a LVCA which is impractical, time consuming and adds acquisition costs to the process.

**Recommendation 9:**

Amend the definition and process for determining a Land Value Contributions Area to ensure it excludes all land which is not subject to intensification under a planning proposal.

**Recommendation 10:**

Update the proposed amendment to the Act or Regulation to allow a LVC obligation to be satisfied by a developer dedicating Public Purpose Land identified in the contributions plan.

## **Indexation**

The indexation of land values under a contributions plan to as closely as possible reflect the actual market value of land is critical to minimising funding gaps for councils relating to the acquisition of land.

Inaccurate land indexation methodologies which do not keep pace with the market will result in a widening gap between land costs and contributions collected throughout the life of a plan.

The exhibition paper states that a LVC amount on a consent will be indexed at the time of payment by a land value index prepared by the VG, which presumably will be based on movements in the price of land based on unimproved land assessments. It is not clear whether an index struck on movements in unimproved land values would track at a similar rate to movements in market value.

Further, the exhibition paper indicates that cost of land included in contributions plans that is yet to be acquired must be indexed in accordance with the VG's Land Value Index (LVI) if it exists; or the Producer Price Index if a LVI has not been prepared. There is no scope for councils to index land in accordance with a customised LVI which more accurately reflects the market value of land.

**Recommendation 11:**

Allow councils to develop and utilise their own customised LVI to index the value of land to be acquired and land contributions by engaging a certified valuer annually.

## **Acquisition Costs Generally**

**Recommendation 12:**

Provide a consistent approach for assessment of acquisition costs associated with contribution plans generally, that is based on actual costs and is able to be readily adjusted to factor in ongoing changes in land costs.

## 5. Alignment of planning proposals and contributions plans

The reforms include:

- A draft Ministerial Direction requiring that a planning proposal authority is to endeavour to ensure that a draft CP is prepared in sufficient time to enable the plan to be exhibited at the same time as the planning proposal,
- A draft Ministerial Direction which requires that planning proposals must demonstrate the efficient use of land proposed for public open space, drainage purposes or public facilities, and
- Proposed clause 271A in the EP&A Regulation that development cannot be approved on land unless there is a contributions plan in place, or the developer has entered into a planning agreement, or 6 months has passed since the rezoning took effect.

### Contributions plan preparation timeframe and proposed clause 271A

The reforms seek to formally align the planning proposal and contributions planning process. This is supported in-principle as it is in the public interest that a contributions plan or planning agreement is in place when the first development consent is granted to adequately addresses the extra infrastructure demand generated by the development.

However, based upon Hawkesbury City Council's previous experience in managing the planning proposal and contributions plan process, the alignment of these two processes can be very challenging and unpredictable.

Council has previously worked in collaboration with DPIE on the rezoning of the Vineyard precinct in the North West Growth Area. Rezoning of this scale follow an iterative process which includes numerous changes to indicative layout plans and supporting specialist studies and reports, and input from other State agencies, altering the assumptions that inform the contributions plan and often requiring substantial amendments.

This makes preparing a draft contributions plan concurrently with a planning proposal difficult to achieve, particularly for greenfield areas, without some form of delay arising.

Whilst the involvement of government agencies throughout the master planning and rezoning process is essential to achieving quality planning outcomes, this can also slow-down progress due to the need for various approvals and concurrences. Opportunities to streamline approval processes or put in place specific requirements and timeframes for providing approvals and concurrences should be explored.

IPART's proposed essential works, benchmark costs, efficient design and lifecycle costs reforms are also expected to increase the complexity of the rezoning process and contributions plan preparation and further exacerbate this issue.

A key proposed change under the reforms is proposed clause 271A which means that if a contributions plan or VPA is not in place within 6 months of the gazettal of a planning proposal, the potential exists for Council or the consent authority to approve development without being able to levy development contributions. This outcome is not supported as would essentially create a funding gap for the delivery of infrastructure.

Consideration should be given to increasing the 'sunset clause' period from 6 months to 12 months to reduce the financial risk to Council, as many factors which can delay the preparation of a contributions plan are outside the control of Council.

### Efficient use of land

The requirement to demonstrate the efficient use of land is already considered by most planning proposals under the current planning and contributions framework, as any opportunity to reduce the land take for infrastructure purposes will reduce the amount (and therefore the cost) of land to be acquired under a contributions plan.



Under the direction councils are encouraged to incorporate opportunities for the shared use of use of public open space, drainage, and public facilities for the efficient use of land, and to ensure that new housing has the appropriate access to public amenities and services. Whilst this approach is sound in-principle, delays can arise when seeking the agreement or concurrence of the future land/asset owner when that party is not the council, and there are often site or situation-specific circumstances which limit opportunities for shared use.

**Recommendation 13:**

The timely preparation and approval of contributions plans alongside planning proposals requires the active involvement of State government agencies in the efficient design / master planning phase, and commitments by those agencies to sign off on infrastructure requirements for planning proposals in a reasonable time. The State government should therefore develop and require agencies to adhere to protocols for involvement and timely decision making in the master planning phase.

**Recommendation 14**

Extend the timeframe for adoption of a contributions plan or planning agreement from 6 months to 12 months after the gazettal of a planning proposal, to minimise the likelihood of Council being unable to levy contributions on new development where a contributions plan has been delayed.

## **6. Other components of the reforms**

### **EP&A Regulation Amendments**

The proposed amendments to the EP&A Regulation include other matters which have not been addressed elsewhere in this submission including:

- a) Encouraging the forward funding of infrastructure delivery by allowing councils to recoup interest costs associated with borrowing and to pool funds between contributions plans
- b) Standardising the indexing of works costs and contribution rates in contributions plans, and contribution amounts in consents
- c) Requiring councils to review contributions plans at least once every 4 years
- d) Requiring councils to 'publicly exhibit' rather than 'publicly notify' planning agreements, and to receive and consider public submissions
- e) Requiring councils to keep and make public an affordable housing contributions register to improve accountability for affordable housing contributions
- f) Standardising contributions exemptions by consolidating all existing exemptions provided by different instruments
- g) Incorporating all local contributions plans into the Integrated Planning and reporting framework by 1 July 2024.

Comments and observations are provided on each of these matters below, with recommendations only being made where necessary.

#### **a) Forward funding infrastructure through pooling of contributions and borrowing**

The proposed reform formalises the arrangements that many Councils already undertake regarding the pooling of contributions and borrowing within or between plans. This approach provides greater flexibility for funding infrastructure early in the life of a contributions plan, allowing development to occur sooner which is a particular benefit for Councils with greenfield release areas such as Hawkesbury City Council.

The ability to collect for any interest accrued on borrowings for the delivery of infrastructure identified in contributions plans further incentivises borrowing as a financially viable option for



forward-funding infrastructure delivery in plans where sufficient contributions income has not yet been received, but where it is projected to be received into the future.

#### **b) Changes to public participation on draft planning agreements**

The proposed requirement for councils to 'publicly exhibit' rather than 'publicly notify' planning agreements, and to receive and consider public submissions, is a practice which Hawkesbury City Council and most other councils already follow.

The amended Regulation also includes revised reporting requirements for planning agreements which are intended to improve public access to information on planning agreements. All councils across NSW are already required to report on the status of each of its planning agreements via their Annual Report as per the current requirements of the EP&A Act. The additional requirements are minor in nature and outline progress and compliance with each agreement during the preceding year.

#### **c) Reporting requirements for affordable housing contributions**

Whilst Council does not have an existing affordable housing contributions scheme, the proposed reform is supported in-principle given that it will provide councils and the State government with greater ability to evaluate and monitor the effectiveness of existing affordable housing mechanisms, along with greater transparency around the amount of affordable housing contributions received by Councils and how funds are spent.

#### **d) Simplifying and standardising exemptions**

The proposed reform will provide greater consistency, transparency, and certainty on standard exemptions, while still providing Council with the flexibility to apply additional exemption within its contributions plans.

#### **e) Transitional arrangements**

Under the proposed reform Council will need to have reviewed all its current contributions plans and adopt new plans in accordance with the proposed amendments to the Regulation by 1 July 2024. However, DPIE has indicated that the requirement for all s7.11 plans to contain only works included on the essential works list (EWL) will not commence until at least July 2025.

This delay in restricting the infrastructure in all s7.11 plans to EWL items will mean that councils will be required to review and adopt new plans in accordance with the proposed reforms by 1 July 2024 and could, within the space of 12 months, be required to remake those same plans.

Under this arrangement, there is little incentive for a council to review its current contribution plans by the 1 July 2024 deadline. Instead, it will likely make a request to DPIE to change the review date to align with the introduction of the EWL for all s7.11 plans.

#### **Recommendation 15:**

The proposed timing for the review of existing contributions plans and adoption of new contributions plans (1 July 2024) should be aligned with the proposed essential works list transitional arrangements (1 July 2025) to allow Council to efficiently review and adopt new plans and avoid the need to undertake a further review and update of its new plans shortly after adoption.



## Infrastructure Contributions Practice Note Review

DPIE is reviewing the local infrastructure contributions practice notes with the objective of delivering modern policy advice and settings for a simple, efficient, certain, transparent, and consistent infrastructure contributions system.

The exhibited practice note modules are listed below, and DPIE has flagged the introduction of further practice notes as the implementation of the reforms progresses:

- a) Role of the practice notes
- b) Principles of infrastructure contributions
- c) Selecting the most appropriate funding mechanism
- d) What can be funded through section 7.11 and 7.12 local infrastructure contributions
- e) Making a section 7.11 contributions plan
- f) Making a section 7.12 contributions plan
- g) Exhibition
- h) Borrowing and forward funding
- i) Infrastructure contributions for mining and energy developments.

## Appendix G: Exhibition – The IPART review process for local contribution plans

Under the proposed practice note, re-exhibition of an IPART reviewed contributions plan before being adopted is at the discretion of an individual council. The practice note recommends that councils consult their Community Participation Plan and decide if any material changes made following IPART's review should be re-exhibited to ensure transparency and give their community the opportunity to provide further feedback.

There is uncertainty around what constitutes a 'material change' which will result in most councils acting conservatively and undertaking a time-consuming and resource-intensive re-exhibition process where it may be unnecessary and has the potential to delay the final adoption of an IPART and DPIE reviewed plan by many months.

Where a council amends a contributions plan in accordance with recommendations specified by IPART following their review, the EP&A Regulation should contain a provision that there is no need to re-exhibit the plan. IPART allows submissions to be made during its review of contributions plans when it releases its draft report and this is considered sufficient opportunity for affected parties to raise any issues they may have with any proposed amendments to a contributions plan.

### **Recommendation 16:**

Amend the EP&A Regulation to allow councils to immediately adopt a contributions plan once amendments required by IPART and the Minister have been made, without the need to consider further exhibition.