



Ordinary Council

MAYORAL MINUTE

Business Paper

date of meeting: Wednesday 15 September 2021

location: Council Chambers
17 Burrawan Street
Port Macquarie

time: 5:30pm

Community Vision

A sustainable high quality of life for all

Community Mission

Building the future together
People Place Health Education Technology

Council's Corporate Values

- ★ Sustainability
- ★ Excellence in Service Delivery
- ★ Consultation and Communication
- ★ Openness and Accountability
- ★ Community Advocacy

Community Themes

- ★ Leadership and Governance
- ★ Your Community Life
- ★ Your Business and Industry
- ★ Your Natural and Built Environment

Ordinary Council Meeting
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MAYORAL MINUTE

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Item: 07.01

Subject: MAYORAL MINUTE - INFRASTRUCTURE CONTRIBUTIONS REFORMS

Mayor, Peta Pinson

RECOMMENDATION

That Council:

1. Request the Chief Executive Officer to write to the Premier of NSW, the Hon. Gladys Berejiklian MP, calling for the NSW Government to:
 - (a) withdraw the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) from the NSW Parliament.
 - (b) undertake further consultation with the NSW Local Government sector on any proposed reforms to the infrastructure contributions system.
 - (c) de-couple the Independent Pricing and Regulatory Tribunal led review of the rate peg to include population growth from the infrastructure contributions reforms.
2. Request the Chief Executive Officer write to the Local Member for Port Macquarie, the Hon. Leslie Williams MP; the Treasurer, the Hon. Dominic Perrottet MP; Minister for Planning and Public Spaces, the Hon. Rob Stokes MP and the Minister for Local Government, the Hon. Shelley Hancock MP seeking their support for the withdrawal of the Bill.
3. Request the Chief Executive Officer write to the Shadow Treasurer, the Hon. Daniel Mookhey MLC; Shadow Minister for Planning and Public Spaces, Mr Paul Scully MP; Shadow Minister for Local Government, Mr Greg Warren MP; The Greens, Mr David Shoebridge MLC; Shooters, Fishers and Farmers Party, the Hon. Robert Borsak MLC; Pauline Hanson's One Nation, the Hon. Mark Latham MLC; Animal Justice Party, the Hon. Emma Hurst MLC; Christian Democratic Party (Fred Nile Group), the Hon. Fred Nile MLC; Independent Mr Justin Field; Portfolio Committee Chair The Greens, Ms Cate Faehmann; Portfolio Committee Deputy Chair Animal Justice Party, the Hon. Mark Pearson MLC; and the Portfolio Committee members being Liberal Party, the Hon. Catherine Cusack MLC and the Hon. Shayne Mallard MLC; The Nationals, the Hon. Ben Franklin MLC; Australian Labor Party, the Hon. Rose Jackson MLC and the Hon. Adam Searle MLC seeking their support in securing the withdrawal of the Bill from the NSW Parliament and outlining Council's concerns with the Bill.
4. Request the Chief Executive Officer to alert the local media to the threat of future ratepayer funds being expended rather than developer levies for new infrastructure brought about by increased development under the proposed legislation and shares and promotes these messages through its digital and social media channels and its networks.
5. Affirms its support to Local Government NSW and requests Local Government NSW continue advocating on our behalf to protect local government from any amendments to infrastructure contributions which leaves councils and communities exposed to expending ratepayer funds

on new infrastructure made necessary by new development, currently the responsibility of developers.

Discussion

I am calling on Councillors urgent support for our Local Government sector's campaign on Infrastructure Contributions reforms.

The NSW Government introduced the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 into Parliament on 22 June 2021.

The Bill was subsequently referred on 24 June 2021 to the Upper House Portfolio Committee No. 7 – Planning and Environment for inquiry and report by 10 August 2021.

Subject to the current COVID situation, the Legislative Assembly is scheduled to meet to consider the Bill on 12 October 2021. It is therefore critical that the political influence of Council is exerted prior to this date.

Councils support efforts to reduce complexity, cut red tape and improve transparency and equity. However, implementation of the reforms will have far reaching financial implications for our Council and community that are unknown at this stage and there is concern that we may be worse off under the reforms.

These reforms may force our Council to delay or completely remove projects from our expenditure plan with a detrimental impact not only on community wellbeing and participation in civic life, but also crucially on local housing supply and affordability and job creation.

These reforms will reduce the ability for Council to fund and therefore deliver infrastructure projects that support our growth and our community. There will be planned projects that won't be delivered as a result of the proposed reform. The reduction in contributions that developers will pay in the reform will put pressure on Council's income. Rate rises are one of the only mechanisms Council has to fund infrastructure and services that will be affected under this reform.

Council has infrastructure projects that are future funded by the first developer with planning agreements to ensure subsequent development pays a share to the extent that they benefit. The reform jeopardises the financial sustainability of these planning agreements and the long term financial implications to Council are unknown.

The unintended consequences of the reform have not been studied or well understood. The reform presents serious risks to the financial sustainability of Councils across NSW.

We need to be in a position to deliver quality infrastructure and open spaces if we are to protect our high quality lifestyle and attract homebuyers, housing and commercial development and business investment and these reforms put this at risk. The reform risks an outcome of substandard development, with reduced requirements to fund infrastructure and services, that will result in substandard communities and a reduction in liveability or alternatively it will mean Council will have to reconsider the release of new areas for development until funding is available for the infrastructure required to support new areas.

Council should also object to the Government's decision to tie reform of the rate peg to cater for population growth, to reductions in infrastructure contributions. Reform of the rate peg is required independent of changes to contributions. This presents a concerning cost shift from developers onto local government and our ratepayers.

It is premature to push forward with this legislation while so much of the infrastructure reform agenda remains unknown.

Council made a detailed submission to The Director, Portfolio Committee no.7 Planning and Environment Inquiry into the Infrastructure Contributions Bill on 9 July 2021. The submission was provided to Local Government NSW (LGNSW) to support their advocacy and unity in opposition to the legislation. A copy of this submission is provided as Attachment 1.

LGNSW has been advocating this position on our behalf and has met with the Minister for Planning and Public Spaces the Hon. Rob Stokes MP on several occasions to stress that councils and their communities must not be worse off under any reforms.

LGNSW has made a submission to the parliamentary inquiry, opposing the passage of the Bill, and on Friday 16 July 2021, LGNSW President Linda Scott spoke at the inquiry hearing alongside other Local Government representatives to present a united front on this issue.

LGNSW will continue its advocacy efforts on our behalf and is asking councils in NSW to add their voice in calling on the NSW Government to withdraw the Bill from the NSW Parliament.

I seek Councillors support in responding to this very important issue.

Attachments

1.  Submission - Port Macquarie Hastings Council - Infrastructure Contributions Amendment Bill 2021 07 09