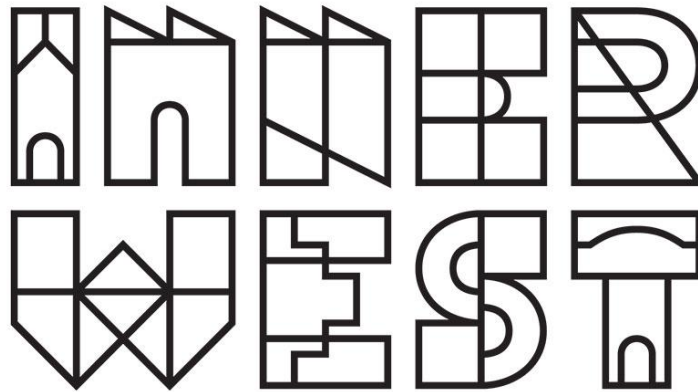


SUPPLEMENTARY AGENDA 1

Distributed on 20 July 2021



**COUNCIL MEETING
TUESDAY 20 JULY 2021**

6.30pm

MEETING AGENDA – PRECIS SUPPLEMENTARY ITEMS

The following reports appear as late items as information required for the preparation of the reports was not available at the time of distribution of the Business Paper.

1 Mayoral Minutes

ITEM	Page
C0721(2) Item 10 Mayoral Minute: Infrastructure Contributions Reforms	3
C0721(2) Item 11 Mayoral Minute: Council's Covid Actions for the Community	15

Item No: C0721(2) Item 10
Subject: MAYORAL MINUTE: INFRASTRUCTURE CONTRIBUTIONS REFORMS
From: The Mayor, Councillor Darcy Byrne

MOTION:

THAT Council:

- 1. Endorses Council's submission to the Environmental Planning and Assessment Act Amendment (Infrastructure Contributions) Bill 2021 (See Attachment 1), and;**
 - 2. Notes the concerns raised by Council officers in the submission.**
-

ATTACHMENTS

- 1.** [!\[\]\(67ff022fd78f943b679992c2874bbfd1_img.jpg\)](#) Briefing note to Councillors - Strategic Planning Update - 14 July 2021



BRIEFING NOTE

To: All Councillors
From: General Manager, Peter Gainsford
Date: 14 July 2021
Subject: Strategic Planning Update

Infrastructure Contributions Reforms

A new Infrastructure Contributions Bills – Environmental Planning and Assessment (EP&A) Act Amendment (Infrastructure Contributions) Bill 2021 was introduced initially to Parliament as part of the state budget. However, the Bill has been separated from the state budget bills and has been referred to an Upper House Committee for a further inquiry. Please refer to the following link for details of the Bill:

[Environmental Planning and Assessment Amendment \(Infrastructure Contributions\) Bill 2021 \(nsw.gov.au\)](https://www.nsw.gov.au/environment/infrastructure-contributions-bills)

The Upper House inquiry will examine proposed amendments to the EP&A Act as part of the NSW Government's broader reforms to the infrastructure contributions system, which is due to be implemented and in place by 1 July 2022.

The proposed amendments outlined in the Bill are broad principles and do not provide adequate information on the future contents of the associated Regulations and Ministerial Directions. The Bill identifies the following reforms:

- a regional infrastructure contributions system to collect levies on development in Greater Sydney, Central Coast, Hunter and the Illawarra Shoalhaven while preserving existing special infrastructure contribution arrangements;
- requiring owners who benefit from their land being rezoned for development to contribute towards the provision of land for local infrastructure when their land is either sold or developed;
- greater transparency and accessibility for Planning Agreements; and
- incentives for councils to fund infrastructure upfront, allowing councils to borrow and pool their fund.

Council was advised of the Bill by Local Government NSW (LGNSW) on 2 July and was given a short timeframe till 11 July to prepare a submission to lodge to LGNSW and the Parliament.

Council's Strategic Planning team prepared the attached submission in accordance with previous submissions lodged by Council to the State Government Infrastructure Contributions Reforms and submitted it to LGNSW and the Parliament on 8 July 2021

PETER GAINSFORD
GENERAL MANAGER

Attachment 1: Council submission to Environmental Planning and Assessment Act Amendment (Infrastructure Contributions) Bill 2021



8 July 2021

Upper House Committee
Portfolio Committee No. 7 Planning and Environment
NSW Parliament

Dear Upper House Committee,

Thank you for the opportunity to provide comment on the Infrastructure Contribution Bill (2021) introduced to State Parliament on 29 June 2021. Council has reviewed the proposed changes and provided commentary in the attachment to this letter for your consideration.

In regards to the proposed legislative changes that relate to section 7.11 and section 7.12 of the *Environmental Planning and Assessment Act 1979*, we re-iterate the concerns of LGNSW that the Bill is premature without adequate information being provided on the future contents of the associated Regulations and Ministerial Directions. It is Council's preference that the matters relating to section 7.11 and 7.12 contribution plans be deferred until the broader infrastructure contributions reforms are known. It is our view that the application of the proposed changes should only be imposed on contribution plans that are implemented under the new infrastructure contribution framework. This would avoid the potential for legal appeals to arise as local governments transition their local contributions plan to the NSW Government's future reform's framework.

If you require any further details or have any queries on the matters raised, please feel free to contact Katie Miles, Senior Strategic Planner, via phone (02) 9392 5732 or email at katie.miles@innerwest.nsw.gov.au.

Sincerely,

Harjeet Atwal
Senior Manager Planning
Inner West Council

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Attachment 1: Inner West Council Submission to EP&A Act 1979 (Infrastructure Contribution Bill) 2021				
Recc.	Proposed Amendment	Act Section	Bill Ref.	Council's Comment
4.1	<p>Aligning contributions plans with rezoning</p> <ul style="list-style-type: none"> A direction-making power will allow the Minister to specify when a contributions plan must accompany a planning proposal. This will align the exhibition of draft contributions plan with the exhibition of planning proposals. It does not affect planning proposal assessment timeframes. 	7.17(1)(e)	[23]	<p>Support in-principle, the alignment of growth and contribution plan updates is considered essential to address infrastructure needs. Concern is raised about the statement that <i>"this will not affect planning proposal assessment times"</i> as contribution plans often require special expertise and studies to be commissioned. This will be especially poignant for planning proposals and contribution amendments proceeding through the transitory period to July 2024 as the future framework proposes to distinguish development-contingent costs and population-related costs. Any proposed Minister Directions enabled by this section should incorporate savings and transitional arrangements for existing section 7.11 and 7.12 Plans until July 2024 (when plans under the new framework are required to be completed by).</p>
4.2	<p>Introduce a land value contribution mechanism to improve efficiency and certainty for funding land acquisition.</p> <ul style="list-style-type: none"> A new framework will allow councils to require all landowners in an identified precinct in an approved contributions plan to contribute towards land required for public purposes. The contribution will be based on a percentage of land area or value and is imposed when land is rezoned. It will be payable when the land is sold or developed. 	7.16B-F	[22]	<p>Support in-principle, subject to adequate detail being provided about the Regulatory framework. It is recommended that LGNSW support the inclusion of <i>land value contribution</i> but request the wording be amended so to allow monetary contributions for land subject to uplift in urban in-fill areas, where value capture studies demonstrate profitability, to enable in-fill metropolitan councils to collect funds for local infrastructure to meet infrastructure demand gaps across their local government areas (LGAs).</p> <p>The primary aim of this objective is to address issues with rising land value costs for land in Greenfield areas. This does not benefit or address the issues relating to brownfield (in-fill) redevelopment areas - given high land costs and</p>

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Recc.	Proposed Amendment	Act Section	Bill Ref.	Council's Comment
	<ul style="list-style-type: none"> Landowners will be notified of the land value contribution being imposed when land is rezoned. It will be payable when the land is sold or developed. Landowners will be notified of the land value contribution being imposed within a precinct as part of the public exhibition of draft contribution plans and planning proposals. 			<p>small lot sizes mean that land acquisition for new public services and amenities is largely <i>more</i> cost prohibitive than what is encountered in Greenfield area. There is often a funding shortfall for the establishment of new local infrastructure in urban renewal corridors, and so to address the needs of incoming populations it is a typical approach that existing infrastructure must “work-harder” to suffice demands.</p> <p>Numerous metropolitan councils have attempted to address this infrastructure funding gap via the inclusion of land-value sharing arrangements that offer local environmental plans (LEPs) planning incentives when section 7.4 planning agreements are forthcoming for local infrastructure, such precedents include:</p> <ul style="list-style-type: none"> Green Square Community Infrastructure Floorspace scheme (City of Sydney) Green Square Town Centre Development Rights Scheme (City of Sydney) Kensington and Kingsford Community Infrastructure LEP clause scheme (Randwick City Council) Burwood Town Centre Community Infrastructure LEP Clause scheme (Burwood City Council); and Penrith Town Centre Community Infrastructure LEP clause scheme (Penrith City Council). <p>The precedents tend to set a base floor space ratio (FSR) on relevant sites, which can be achieved without proponents providing any value sharing contribution (i.e. towards</p>

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				community infrastructure). Identified sites are able to achieve higher FSRs generally up to a maximum FSR if community infrastructure is provided, with the rate of contribution and appropriate contribution types usually specified in a separate policy. The rationale for this approach is generally to secure community infrastructure, which is required to support high-density development, but which cannot be funded in other ways. It is a value sharing mechanism. Recent policy reforms pursued by the State Government are discouraging a continuation of these precedents however a fundamental funding gap remains for urban in-fill areas for local infrastructure. There is an opportunity for the ' <i>land value contribution</i> ' pathway to better enable the purposes of these precedents, should it be amended so to allow monetary contribution for local infrastructure <i>as well as</i> the identified of land.
4.9	Encourage council to forward fund infrastructure through borrowing and pooling funds: <ul style="list-style-type: none"> Council will be able to pool contributions without the need for a Ministerial Direction or contributions plan to allow it. Regulations extend recoupment to include interest costs associated with forward-funding infrastructure. 	7.3(2) & 7.11(2)	[10] [19]	Support, in-principle.
NA	Other Section 7.11(1) & (2) changes: Proposed change from " <i>a consent authority be satisfied that there will be, or is likely to be, an</i> "	7.11(1)&(2)	Pages 5-6	Strongly opposed to the imposition of an objective test as there will be greater potential for population-related costs or in-direct costs imposed through section 7.11 frameworks to

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	<i>increased demand for public amenities or services as a result of development"</i> to an objective test that considers works council has provided the service or amenities, or whether the development will benefit from the provision of services or amenities.			be appealed. This is especially poignant given the proposed subclause 7.11(2) then states that the cost of providing public amenities and public services be calculated in accordance with the regulations and Minister directions - that are not yet available for comment. This raises the potential for legal appeals for contribution plans that calculate costs not in accordance with the unknown Regulations. It is requested that the existing clause 7.11(1) be retained until the Department of Planning Industry and Environment (DPIE) can provide further guidance on the Regulations and Ministerial Directions.
NA	Other Section 7.11(1) changes: Previously, section 7.11 condition could only be imposed on the <i>grant</i> of a development consent, but the new wording is that ' <i>a consent authority may impose a local infrastructure condition on a development consent.</i>	7.11(1)	Page 5	Subject to the above comment, relating to the deferment of this matter until DPIE can provide further guidance on the Regulations and Ministerial Directions, Council would support the expansion of s7.11 to being imposed on applications made under section 4.55 of the EP&A Act to modify a development consent.
NA	Other Section 7.11(3) & (4) changes: The new section 7.11 will allow consent authorities to accept ' <i>the provision of a material public benefits in part or full satisfaction of a local infrastructure condition</i> '. Meaning that two things not currently permitted by the wording of the existing section 7.11 will be allowed: (1) the dedication of land in satisfaction of an obligation to pay a monetary contribution, and	7.11(3)&(4)	Page 6	Support in-principle, however this will impact section 7.11 treatments of credits/discounts where planning agreements or works in kind are being pursued. Potentially, it may generate the risk of legal appeals for contributions plans as they transition to the new contributions reform framework. It is suggested that this section be deferred until such time the DPIE can provide more guidance on how credits and discounts are to be treated in the contributions reform.

Attachment 1: Inner West Council Submission to EP&A Act 1979 (Infrastructure Contribution Bill) 2021				
Recc.	Proposed Amendment	Act Section	Bill Ref.	Council's Comment
	(2) works in satisfaction of an obligation to dedicate land free of cost.			
NA	<p>Changes to Section 7.13</p> <p>There are two changes to note about this proposed section, which governs the circumstances in which local levy conditions and local infrastructure conditions may be imposed.</p> <ul style="list-style-type: none"> Firstly, there is an additional requirement that a local infrastructure condition or local levy condition is <i>'imposed in accordance with the regulations and relevant Ministerial directions'</i>. Secondly, the words <i>'this subsection does not authorise the Court to disallow or amend the contributions plan or direction'</i> have been deleted from the current section 7.13(3). 	7.13	Page 7	Request that this section be deferred until such time the DPIE can provide more guidance on the associated Regulations and Ministerial Direction. The proposed change may allow judicial intervention into contributions plans, Ministerial directions, and planning appeals, subject to limitations set by the Regulations. The intent of this change needs to be adequately explained by the NSW Government.
4.10	<p>Defer payment of contributions to occupational certificate stage:</p> <ul style="list-style-type: none"> Directions to set the timing of contribution payments will be extended beyond the COVID-19 pandemic period. 	7.17(1A) & (1B)	[19]	Opposed due to ongoing compliance issues in ensuring payments are made and the short-term loss of revenue. Request a continuation of the pre-COVID response that requires payment with issuance of the construction certificate.
4.11	<p>Increase maximum section 7.12 fixed development consent levies:</p> <ul style="list-style-type: none"> Maximum rates and a broader calculation methodology can be set by regulation. 	7.12(5)(a)	[19]	Endorsed, however it remains to be seen what limitations are imposed by the Regulations. It would be preferable if this matter was deferred until the Regulations are drafted.

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4.12	<p>Planning agreements consistent with principles-based approach:</p> <ul style="list-style-type: none"> Planning authorities will be required to public exhibit rather notify draft agreements, and to invite and consider submissions. The requirement for hard copies of planning agreements will be removed given planning agreement information will be available online. 	Schedule 1, clause 6A 7.5, 7.10	[33] [16-17]	Endorsed.
5.1- 5.4	Adopt Regional Infrastructure Contributions, Adopt Transport Contributions & Adopt Strategic Biodiversity Contributions.	7.22-7.31(2)	[27] [34]	<p>Supported in-principle, provided adequate transparency and forward planning with LGAs should occur so that it is known what infrastructure works are being funded by State Infrastructure Contributions. We strongly advocate that the money collected from a LGA should be approximate to the level of expenditure outlaid in that area, and this be stated in the associated Regulations.</p> <p>The LGNSW's attention is brought to a continuing trend of the DPIE continuing to apply pseudo SIC-type clauses in LEPs that require developers to enter planning agreements with the State Government before development consent is given for public infrastructure. This is a mechanism not addressed by this Bill, or discussed in the NSW Productivity Commissioners Final Report, but is a mechanism by which the State collect contributions for public infrastructure, outside the provisions of Part 7 of the EP&A Act.</p>

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				<p>This pseudo-SIC LEP clause approach is contrary to DPIE's own advice, that planning agreements should not be mandated for development consent to be issued. Likewise, DPIE has repeatedly discouraged councils' from adopting similar approach, as discussed in the commentary to 4.2. Examples of the pseudo SIC-type clauses DPIE have inserted in recent LEP amendments, typically along urban in-fill renewal areas, include:</p> <ul style="list-style-type: none"> • Clause 6.18 of Marrickville LEP 2011 - Arrangements for designated State public infrastructure in relation to development on certain land at Victoria Road, Marrickville - <i>"development consent must not be granted...unless the Secretary has certified in writing to the consent authority that satisfactory arrangements have been provided for State public infrastructure"</i>. • Clause 6.23 of Leichhardt LEP 2012 - Development of land at 1-5 Chester Street, Annandale - concurrence needed by the Planning Secretary. • Clause 8.1 and 8.1A of Parramatta LEP 2011 - Arrangements for designated State public infrastructure. <p>It is requested that the Parliaments' attention be drawn to this matter as an inconsistency to be addressed by DPIE as part of this policy reform.</p>

Attachment 1: Inner West Council Submission to EP&A Act 1979 (Infrastructure Contribution Bill) 2021				
Recc.	Proposed Amendment	Act Section	Bill Ref.	Council's Comment
NA	Expanded scope for Regulations Section 7.16A proposed by the Bill expands the scope of what the regulations can provide for, such as when and how monetary contributions must be paid. Normally, this would be provided for in a contributions plan.	7.16A	Page 8	Strongly opposed to this change being progressed without adequate information regarding the content of the Regulations. This may significantly impact local government funding able to be obtained by section 7.11 and 7.12 respectively.
6.1	Use digital tools to make contributions simpler and more transparent: <ul style="list-style-type: none"> Form and content of plans can be set by regulations, building on existing ePlanning provisions. 	7.18(2)	[25]	Support in-principle, so long as adequate time and assistance (funding and resources) is provided to local councils for adoption and implementation.
6.5	Better synchronise State and local strategic planning frameworks <ul style="list-style-type: none"> Review timeframes for local strategic planning statements will be changes from seven to five years to align with review requirements for State Infrastructure strategies and regional plans. 	3.9	[4]	Support in-principle, so long as adequate time and assistance (funding and resources) is provided to local councils.
NA	<u>Proposed Section 7.46(2)</u> If passed, this sub-section would allow consent authorities and councils in the area of a development to recover unpaid contributions required under local infrastructure conditions as debts in a court of competent jurisdiction.	7.46[2]		Endorsed.

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Item No: C0721(2) Item 11
Subject: MAYORAL MINUTE: COUNCIL'S COVID ACTIONS FOR THE COMMUNITY
From: The Mayor, Councillor Darcy Byrne

MOTION:

THAT Council:

1. Expresses thanks to the residents of the Inner West, the officers of Inner West Council and all of the frontline workers who have dedicated themselves to saving lives and protecting public health during this latest COVID-19 lockdown;
2. Thanks NSW Health, the NSW Police and other emergency services for their collaboration in responding to the crisis;
3. Thanks the local NGOs and charities working to provide outreach services to vulnerable citizens, and resolves that Council officers contact the NGOs to find out how it can support them in their efforts to address food security and outreach services;
4. Extends the availability of the Summer Hill Depot as a COVID-19 testing centre until the end of September 2021;
5. Notes the successful City of Ryde financial assistance package for ratepayers implemented during last year's lockdown and tables a report to the next Council meeting identifying options for providing financial assistance, up to \$400, to ratepayers who have lost income to assist in ameliorating the financial impacts from the present lockdown. This should include advice from the Office of Local Government on how financial assistance can be provided to ratepayers;
6. Writes to the relevant Federal and State Ministers to urgently request that all of Council's frontline workers are prioritised to receive vaccinations;
7. Ensures that tenants of Council properties will not be evicted during this lockdown, and that affected businesses receive a deferral of rental payments in accordance with Council's previously adopted policy;
8. Notes this existing policies and measures Council is implementing to assist residents and businesses including:
 - a) Sporting clubs are not to be charged fees for sporting fields and facilities that are closed and unable to be used during this COVID-19 crisis;
 - b) Sporting fields, tennis and basketball courts (other than Henson Park and Tempe Reserve) are being illuminated until 9pm for the duration of the lockdown to allow more opportunity for safe exercise;
 - c) The availability of a number of library services online, including the Home Library services for those isolated at home as well as the recent establishment of a

“Click and Collect” service at Ashfield, Balmain, Leichhardt and Marrickville libraries;

- d) Council rangers have been directed to prioritise safety not issuing fines in residential streets. Rangers are also monitoring main streets to ensure there is adequate parking for residents to access essential services; and**
 - e) Council’s social media channels are available, upon request, to not-for-profit community organisations and local service providers to promote resources, services, donations and volunteerism in response to the crisis.**
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ATTACHMENTS

Nil.