

**ADDENDUM REPORT TO THE ORDINARY MEETING OF GREATER HUME COUNCIL
TO BE HELD AT COMMUNITY MEETING ROOM, LIBRARY COMPLEX, LIBRARY
LANE, HOLBROOK ON WEDNESDAY, 15 SEPTEMBER 2021**

MAYORAL MINUTE

2. INFRASTRUCTURE CONTRIBUTIONS BILL

Report prepared by General Manager – Steven Pinnuck

BACKGROUND

The [Infrastructure Contributions Bill](#) was introduced into Parliament on 22 June 2021, and then referred to the Upper House Planning & Environment Committee for inquiry and report. The Committee called for [submissions](#) and held a [hearing](#) on 16 July 2021 where local government representatives, including LGNSW and Cr Firman and Julie Briggs (RivJO), appeared as witnesses.

RivJO, LGNSW and a number of Councils made submissions to the inquiry, opposing the passage of the Bill in this form and calling for it to be withdrawn as there had been absolutely no consultation with the local government sector at all.

The Committee tabled its [report](#) on 10 August 2021 and recommended that the Bill not proceed until the draft regulations have been developed and released for consultation and the reviews into the rate pegging system, benchmarking and the essential works list have been published by the Independent Pricing and Regulatory Tribunal.

It is very concerning to local government as the Bill could have a number of negative impacts including:

- Reduce the type of community infrastructure that could be funded by developer contributions;
- Siphon-off developer contributions into four regional funds, with no guarantee that the money would be funnelled back into projects in the local areas where the funds have been collected;
- Dictate to councils on what and how they can spend their contributions (through Ministerial directions);
- Enable future governments to make further potentially-damaging changes to the system without parliamentary scrutiny;
- Council contributions will be significantly reduced....while State Government revenue (via regional contributions) will increase;
- Councils will be forced to either forgo the infrastructure or raise rates, cost-shifting the delivery of infrastructure from developers to ratepayers;
- Significant financial impact on councils' ability to deliver community infrastructure ranging in the millions to tens of millions of dollars; and
- IPART "essential" infrastructure works list review - may further restrict the type of community infrastructure that could be funded via contributions.

The Bill itself is very light on detail with a reliance on yet to be drafted regulations to guide how Infrastructure contributions can be levied in the future. It is important to note that regulations can be changed on the whim of the government of the day and not be subject to the scrutiny of legislative changes.

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INFRASTRUCTURE CONTRIBUTIONS BILL [CONT'D]

If Council was to lose the ability to levy Developer Charges, on average it would be the equivalent of 2.5-3% rate increase and communities projects such as contributions to:

- Henty Swimming Pool
- Gerogery Drainage
- Walla Walla Walking Track
- Skate Parks at Culcairn and Jindera

Since it was introduced in mid-2012 it has generated almost \$1.4M in revenue that can assist in funding necessary capital works. In the last financial year alone the Contributions Levy raised almost \$350,000 which is the equivalent of a 4% rate increase.

Clearly if this funding stream is curtailed Council will have one of two options (i) defer construction or replacement of community infrastructure or (ii) seek additional revenue through rate increases. Neither option is palatable to Council at this point.

I commend this Mayoral Minute to Councillors.

RECOMMENDATION

That:

1. Greater Hume Council calls on the NSW Government to withdraw the Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 (the Bill) from NSW Parliament.
2. Greater Hume Council call on the NSW Government to undertake further consultation with the local government sector on any proposed reforms to the infrastructure contributions system.
3. Seek a meeting with the Member for Albury Justin Clancy MP to raise Council's grave concerns with the likely impact of the Bill on Council, our communities and ratepayers.