

21 November 2023
Ms Kiersten Fishburn
Secretary
Department of Planning and Environment

By email: hpc.enquiry@planning.nsw.gov.au; Kiersten.Fishburn@dpe.nsw.gov.au

Re: Housing and Productivity Contribution Ministerial Order

Dear Ms Fishburn

I write to advise that the NSROC Board has endorsed the feedback previously provided on the Housing and Productivity Contribution Ministerial Order in my letter dated 11 September 2023.

The Board also unanimously supported the letter sent by the St Leonards Crows Nest Working Group to The Hon. Paul Scully MP, Minister for Planning and Public Spaces regarding the *St Leonards and Crows Nest 2036 Plan* and associated State Infrastructure Contribution (SIC). NSROC and the Working Group are concerned that the reduction of the contribution rate will not yield the foreshadowed infrastructure necessary to accommodate the growth anticipated in the 2036 Plan within a reasonable timeframe. The vastly increased collection catchment will also raise expectations about infrastructure being delivered more widely. This will further diminish the Government's capacity to deliver on its stated infrastructure commitments in the precinct.

NSROC and the Working Group are seeking your commitment:

1. To expenditure from the HPC in the St Leonards and Crows Nest 2036 Plan precinct being prioritised given the extreme extent of change envisaged in the precinct.
2. That given the extreme densities proposed in the precinct, investment in open space infrastructure be prioritised for contributions collected.
3. To strong Local Government representation on any new governance framework developed by Government that prioritises the expenditure of HPC funds collected.

NSROC councils remain committed to working in partnership with your department to improve the infrastructure contributions framework. This will ensure that councils and the State Government are appropriately resourced to deliver the infrastructure and services expected by our communities.

If you require further information, please don't hesitate to contact me by phone on 0401 640 823 or at mmontgomery@lanecove.nsw.gov.au.

Yours sincerely



Dr Meg Montgomery
Executive Director
Northern Sydney Regional Organisation of Councils

Attachments:
NSROC letter of 11 September 2023
SLCN 2036 Working Group letter of 17 November 2023

11 September 2023
Ms Kiersten Fishburn
Secretary
Department of Planning and Environment

By email: hpc.enquiry@planning.nsw.gov.au; Kiersten.Fishburn@dpe.nsw.gov.au

Re: Housing and Productivity Contribution Ministerial Order

Dear Ms Fishburn

Northern Sydney Regional Organisation of Councils (NSROC) appreciates the opportunity to provide feedback on the Housing and Productivity Contribution Order 2023. This feedback has been prepared with the input and support of our member councils but should be considered draft until it is formally endorsed by the NSROC Board.

NSROC remains firmly of the view that dwellings and community infrastructure must be built in tandem to ensure amenities are available for residents as they arrive. This approach also ensures councils have the social licence from communities for increased housing density and traffic.

NSROC member councils accept that the Housing and Productivity Contribution will commence from 1 October 2023. However, NSROC remains concerned that the size of the Greater Sydney Region is too large to support the concept of nexus. NSROC considers that government should be required to demonstrate the principle of nexus between the region where funds are collected, and the works proposed.

The Implementation Guideline lacks clarity in relation to how existing Special Infrastructure Contributions (SIC) and the previously agreed infrastructure commitments contained within them will transition. NSROC would appreciate additional information on how funds already collected and funds relating to proposals already progressing through the planning proposal stage under the St Leonard's SIC will be treated.

NSROC member councils would also appreciate greater clarity regarding when and how future transport project components will be identified and actioned. Will it be applied to other Metro Stations similar to Pymont?

NSROC councils remain committed to working in partnership with your department to improve the infrastructure contributions framework. This will ensure that councils and the State Government are appropriately resourced to deliver the infrastructure and services expected by our communities.

If you require further information, please don't hesitate to contact me by phone on 0401 640 823 or at mmontgomery@lanecove.nsw.gov.au.

Yours sincerely



Dr Meg Montgomery
Executive Director

Northern Sydney Regional Organisation of Councils



SLCN 2036 WORKING GROUP

ST LEONARDS CROWS NEST

17 November 2023

The Hon. Paul Scully MP
Minister for Planning and Public Spaces
52 Martin Place
SYDNEY NSW 2000

By email – paul.scully@parliament.nsw.gov.au

Dear Minister,

This letter relates to the *St Leonards and Crows Nest 2036 Plan* and associated State Infrastructure Contribution (SIC) levy that was announced in August 2020.

In response to the significant increases in height and density foreshadowed by the 2036 Plan and the need to holistically plan for growth, Willoughby, Lane Cove and North Sydney Councils formed the *Joint St Leonards and Crows Nest Councils Working Party*. The Working Party includes elected representatives from each Council and is supported by senior Council staff.

The terms of reference of the Working Party include the following aims:

- *For the three Councils which have adjoining jurisdiction in St Leonards and Crows Nest, to collaborate and discuss matters of common planning and operational interest*
- *To establish a coordinated and unified voice representing the three Councils to raise issues and advocate to the NSW Government on behalf of local communities.*

The *2036 Plan* was developed by the NSW Government and included infrastructure planning and costing. This was to support the very significant additional development capacity introduced by the Plan in an already dense urban environment. Whilst it is acknowledged that the identified supporting infrastructure would not all be delivered in the short term, there is a reasonable expectation that such infrastructure will be delivered systematically and within reasonable timeframes.

The Department undertook a “capacity to pay” exercise to assist in its drafting of the SIC rates. There was an assumption that the anticipated growth would pay for the necessary infrastructure as identified in the Department’s planning. The rate was calculated at \$15,100 per additional dwelling.

Since that time, the NSW Government has introduced a broader tax base with the Housing and Productivity Contribution to replace the SIC. This will yield \$10,000 per additional dwelling. Moreover, the basis of the new broader based contribution regime, will mean that investment will be disbursed throughout an enormous collection catchment. The Working Party is very concerned that this significant reduction of the contribution rate will not yield the foreshadowed infrastructure necessary to accommodate the growth anticipated in the 2036 Plan and certainly not within a reasonable timeframe. The vastly increased collection catchment will also raise expectations about infrastructure being delivered more widely. This will further diminish the Government's capacity to deliver on its stated infrastructure commitments in the precinct.

The Working Party understands that a governance regime will be put in place to consider allocation of funding to specific projects. It is critical that local government representation, with its acute awareness of local issues and need, be strongly represented.

The Working Party advocates for:

- 1. Strong Local Government representation on any new governance framework developed by Government that prioritises the expenditure of HPC funds collected.**
- 2. Expenditure from the HPC in the St Leonards and Crows Nest 2036 Plan precinct being prioritised given the extreme extent of change envisaged in the precinct.**
- 3. That given the extreme densities proposed in the precinct, that investment in open space infrastructure to be prioritised for contributions collected.**

Finally, we request an urgent meeting with you to discuss the issues set out above. Please contact Mayor Baker on mayor@northsydney.nsw.gov.au or 02 9936 8113 with a convenient date/time and Mayor Baker will coordinate with Lane Cove and Willoughby Council to arrange the meeting.

Yours faithfully,

St Leonards Crows Nest Working Group (SLCN)