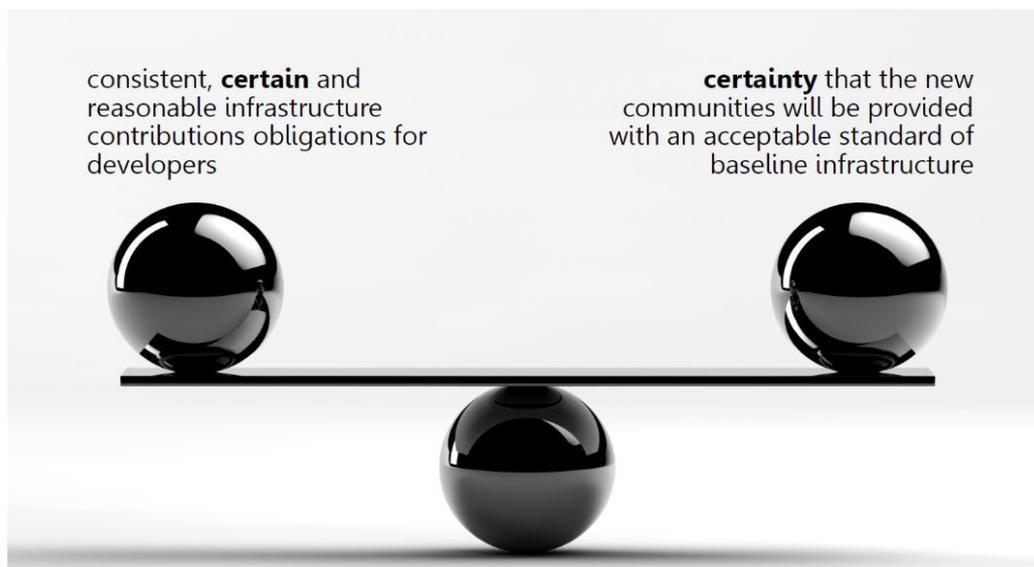


A Better Growth Infrastructure Deal: End the uncertainty, restore the trust

Restoring confidence is about creating certainty

At its core, the system of funding and delivery of infrastructure for growth areas needs to balance the following outcomes:



These are matters the State can act on now, by:

- Delivering infrastructure sooner for communities
- Improving contributions certainty for developers
- Requiring greater accountability and transparency
- Moving towards a simpler contributions system for all

Success is more likely to be achieved by applying a layered approach of short term 'quick wins' to be implemented over the next year, and more lasting reform that can be completed within the remainder of the government's term.

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Short term actions - 'Easy wins' (1 year)	Infrastructure delivered sooner	Improves contributions certainty	Greater accountability / transparency	Simpler contributions system
1. Continue and expand on current State Budget programs designed to accelerate provision of lead-in, mid-level, infrastructure that opens up development of urban release areas; or that funds new parks and other social infrastructure in urban renewal precincts (e.g. Housing Acceleration Fund, Liveability Program)	✓			
2. Speed up infrastructure delivery by requiring: <ul style="list-style-type: none"> a. all councils to pool their contributions funds to provide priority infrastructure sooner b. that State government and every council meet a target of total contributions spending exceeding contributions receipts on a rolling 3 year basis 	✓		✓	
3. Encourage greater use of works in kind agreements by: <ul style="list-style-type: none"> a. developing a standard State-wide works in kind policy and procedures document b. allowing developers to access contributions funds to deliver facilities with a value beyond their contributions obligation. 	✓	✓		✓
4. End the uncertainty in State infrastructure contributions by: <ul style="list-style-type: none"> a. making public the 'satisfactory arrangements' contribution requirements for at least 90% of the URAs in LEPs b. commencing a wholesale review to determine the future role and level of State contributions with a view to adopting standard charges 		✓	✓	✓
5. Create an external-facing contributions calculator that allows developers and accredited certifiers to calculate State and local contributions for any site - this could be a pilot project with 3 city and 3 regional councils (potentially sponsored by Department of Customer Service)		✓	✓	✓
6. Develop a comprehensive policy on 'value sharing' that focuses on whether it is appropriate for councils to apply value sharing schemes to the up-zoning of land, how should the value be calculated, what the funds should be applied towards, how the scheme should be implemented and other accountability arrangements		✓	✓	
7. Raise the bar in accountability and reporting by requiring: <ul style="list-style-type: none"> a. DPIE issue a practice note or guideline to councils setting out practices for prudently allocating funds collected under repealed contributions plans instead of paying for 'wish lists' b. each State or local contribution imposed on a consent or CDC to be recorded in a standard spreadsheet format and the contributions register to be placed on the respective council's & DPE's website c. registers to be kept in a form enabling data to be searched and reports extracted (by suburb or locality) d. DPIE and each council to produce an annual report showing what has been achieved in implementing State and local contributions plans 			✓	

Longer term actions (3 years)

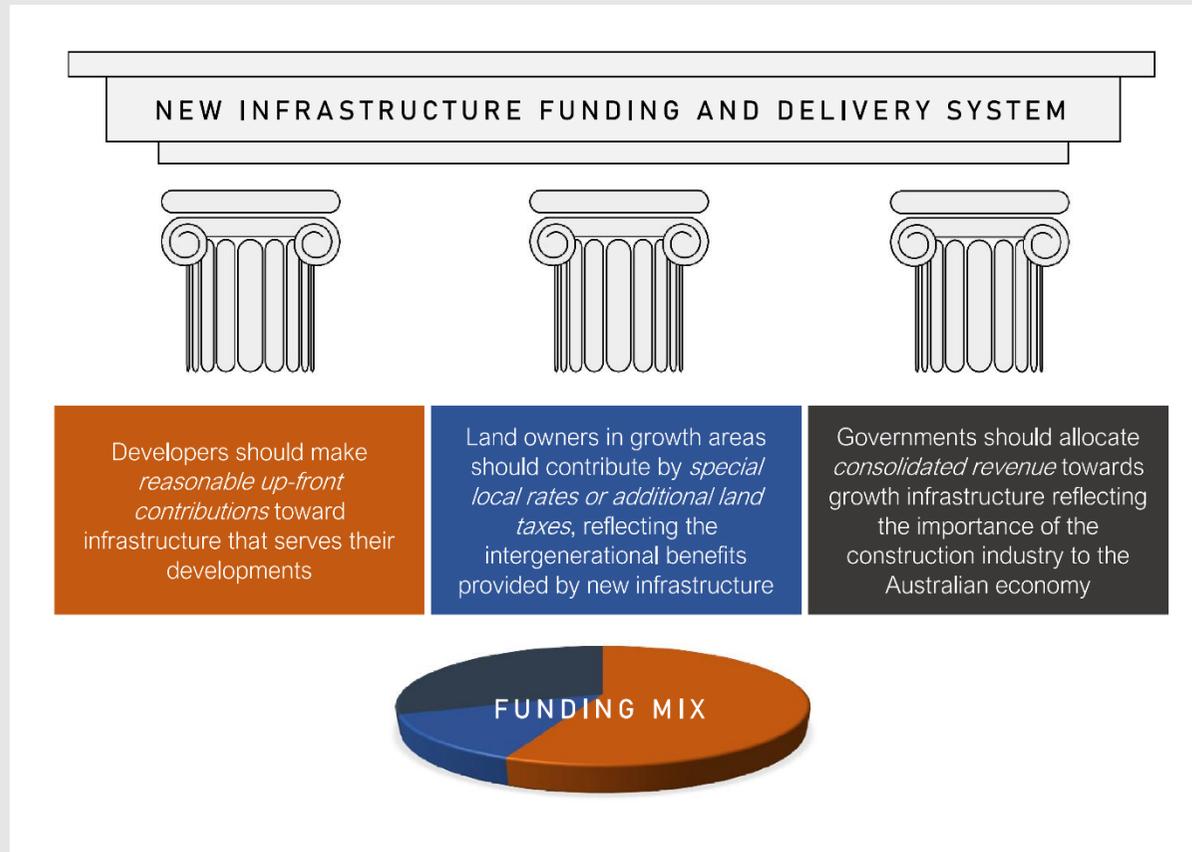
Infrastructure delivered sooner

Improves contributions certainty

Greater accountability /transparency

Simpler contributions system

1. Develop a new infrastructure funding and delivery system that is based on 3 pillars:
 - A. The need for **developers to make reasonable contributions** toward infrastructure that serves their developments
 - B. The **intergenerational benefit** provided by the infrastructure to land owners and future residents, which translates to owners of land in designated growth areas paying special local rates or additional land taxes
 - C. The **economic multiplier effects of construction on the wider economy**, expressed through the wider population contributing towards growth infrastructure through allocation of consolidated revenue.



Longer term actions (3 years)	Infrastructure delivered sooner	Improves contributions certainty	Greater accountability /transparency	Simpler contributions system
<p>2. Prepare holistic infrastructure funding and delivery plans at the time that land is rezoned or up-zoned. These may be called GRID plans (Growth Infrastructure Delivery Plans). GRID plans will contain State and local infrastructure in the one plan, delivery responsibilities and priorities, and an adopted 'funding mix' reflecting the weightings of the 3 pillars; the weightings dependent on State government policy at the time.</p> <div data-bbox="613 300 1424 715" style="border: 1px solid gray; padding: 10px;">  <div data-bbox="1019 335 1388 686" style="background-color: #4a7ebb; color: white; padding: 5px;"> <p style="text-align: center; margin: 0;">GROWTH INFRASTRUCTURE DELIVERY PLAN</p> <ul style="list-style-type: none"> <input type="checkbox"/> State & Local infrastructure schedule <input type="checkbox"/> State infrastructure contributions <input type="checkbox"/> Local infrastructure contributions <input type="checkbox"/> Works staging & priorities <input type="checkbox"/> Agency responsibilities <input type="checkbox"/> Funding mix </div> </div>	✓	✓	✓	✓
<p>3. Create a simple schedule of standard developer charges to implement pillar A. This will create huge efficiencies by shifting the focus in contributions plans from piecemeal derivation of developer charges for each development area to concentrating on the funding mix and the infrastructure delivery program.</p>	✓	✓	✓	✓
<p>4. Complementary actions to implement the above:</p> <ol style="list-style-type: none"> a. Redefine IPART's role away from time-consuming forensic analysis of individual contributions plans to setting the standard developer charges (pillar A) b. Develop a streamlined process for councils to implement special rates on benefitting landowners in GRID plan areas (pillar B) c. Consider imposing a metro-wide levy on rates notices, land tax notices and/or DAs to comprise part of the funding mix (pillar C) d. 'Demolish the silos': create / nominate a single agency with the power to resolve disagreements between agencies about infrastructure priorities so that coherent funding plans can be recommended to Cabinet e. DPIE to prepare practice notes on preparation and content of GRID plans. 	✓	✓	✓	✓

A Better Growth Infrastructure Deal: End the uncertainty, restore the trust

Actions supporting the '3 Pillars'

General

- Comprehensive infrastructure delivery plans that contain all State and local infrastructure requirements and contributions in one document that is adopted at the time land is rezoned or upzoned.
- These plans will also contain delivery responsibilities and priorities, and an adopted funding mix reflecting the weightings of the 3 pillars – the weightings reflecting economic circumstances and government policy at the time.
- Empower a single agency within government to resolve disagreements between agencies about infrastructure priorities so that coherent funding plans can be recommended to Cabinet.

Ideas for implementing Pillar 1:

- A schedule of standard contributions to permanently shift the focus from time-consuming and piecemeal determination of charges for each development area to the infrastructure delivery program and its funding mix. This will be a leap forward in creating investor certainty and free up councils to focus on delivering infrastructure sooner.
- Redefine IPART's role away from time-consuming forensic analysis of individual contributions plans to setting the standard contributions schedule.
- Developers can settle any cash contribution obligation at any office of Service NSW.

Ideas for implementing Pillar 2:

- Remove rate pegging constraints for councils that achieve financial accountability benchmarks
- Develop a streamlined process for councils to implement special rates on benefitting landowners in rezoned or upzoned areas.

Ideas for implementing Pillar 3:

- Consider imposing a metro-wide levy on rates notices, land tax notices and/or DAs to comprise part of the funding mix.