

17 December 2020

Mr Jim Betts
Secretary
Department of Planning, Industry and Environment
Locked Bag 5022,
Parramatta NSW 2124

Dear Mr Betts,

RE DRAFT ILLAWARRA SHOALHAVEN SIC 2020

We write in response to the public exhibition of a draft Special Infrastructure Contribution (SIC) for the Illawarra Shoalhaven Region. Stockland is a key landholder within West Lake Illawarra Growth Area (WLIGA) and therefore has a strong vested interest in the future development of that area.

Stockland is supportive of the Department of Planning, Industry and Environment's (DPIE) intention to impose a new SIC levy on developments within the WLIGA. This will see the delivery of key infrastructure that will support the new community moving into the growth area. Stockland is also supportive of the proposed imposition of the levy on the Net Developable Area basis. This means that the levy will not penalise the delivery of smaller, more affordable housing lots which are in strong demand in the region.

However, whilst Stockland is generally supportive of the proposal, there are several aspects of the new contributions framework that Stockland would like to make comment on, as set out below.

Greater transparency of costings

The documents placed on exhibition by the DPIE are very high level and do not show the detailed workings of how the contribution amounts were derived. There is no information on what assumptions have been used to calculate the cost of the infrastructure or what contingencies have been placed on those costs. DPIE has recently proposed changes to the contributions framework in NSW to make local contributions schemes more transparent and Stockland believes that these principles should also be applied to SICs. In this regard, all of the detailed costings for the infrastructure should be published online. Consideration should also be given to a peer review by IPART, similar to that which local Councils are subjected to when they want to impose higher levies.

Criteria for funding should be published

In respect of the items of infrastructure to be delivered, there is no detail as to why the specific items have been chosen and what criteria was used to determine what should be included and what should be excluded. The plan should make clear what infrastructure is development contingent and development associated costs. There also appears to be some items included in both the draft SIC and council contribution plans. For example, the north-south spine road in the WLIGA is listed as an infrastructure item in the draft SIC, and is also being levied for in the West Dapto Local Contributions Plan 2020. There is insufficient detail to determine whether or not this is a duplication of contribution levies or if the contributions are being collected for separate sections or funding arrangements of the spine road.

Infrastructure to be prioritised and annual reporting

Further to the above, Stockland believe that the SIC plan should outline which items of infrastructure are the priority for the region and will be delivered first versus those that are less urgent and can be delivered in the longer term. In undertaking its annual reporting on the plan, DPIE should provide a forecast of what contributions it expects to receive that year, what contributions it has received to date and what the

infrastructure delivery programme is to be for the following two years. This would provide greater transparency to the community as to where the money is going to be spent and what infrastructure they are likely to see delivered in the short-term.

Many of the suggestions above are consistent with those made recently in the Final Report on the review of Infrastructure Contributions in New South Wales prepared by the Productivity Commission, particularly in respect of greater transparency of criteria for collection and the spending of levies.

We would like to thank the DPIE for the opportunity to comment on the draft Plan and would welcome the opportunity to discuss our submission further if required.

Yours sincerely



Alison Brown

[Redacted contact information]