

26th February 2021

Department of Planning, Industry and Environment
Locked Bag 5022
Parramatta NSW 2124

Online submission

To whom it may concern

Re: Proposed Western Sydney Aerotropolis Special Infrastructure Contribution

I write regarding the draft Western Sydney Aerotropolis Special Infrastructure Contribution (draft SIC) proposed by the Department of Planning, Industry and Environment (the Department).

The Urban Taskforce acknowledges the need for the Aerotropolis precincts to be properly serviced by local and state infrastructure, and support in principle that new development providers should contribute to this. However, the State Government's draft SIC in addition to local councils' proposed 6.5% s7.12 local infrastructure contribution to pay for all the physical and social infrastructure in the various Aerotropolis precincts is **not supported**.

As can be seen in the table below, the combined impost of levies proposed across the Aerotropolis precincts is substantial:

	Mixed Use	Industrial/Enterprise Zone
S7.12 contribution (CIV ≥ \$200,000)	6.5% of development cost	6.5% of development cost
SIC	\$500,000 per hectare of net developable area	\$200,000 per hectare of net developable area
Station Precinct Charge (applies if within station precinct)	2% of development cost	1% of development cost

Urban Taskforce members with interests in the Aerotropolis are advising the combined cost of proposed State and local contributions plans will render many developments unfeasible. As a consequence, some investors will look to other jurisdictions for more commercially beneficial opportunities. This will be to the detriment to the success of the Aerotropolis and the much needed new employment opportunities in Western Sydney.

The Urban Taskforce **recommends** that councils' s7.12 rate for the Aerotropolis as proposed NOT be approved.

To ensure future clarity and transparency of the quantum development contributions, Urban Taskforce **recommends** there be one levy only that aggregates all taxes and charges.

The Urban Taskforce is also concerned about the potential for duplication of cost recovery in local and state contribution levies. For example, both the draft Aerotropolis s7.12 local contributions plan and the proposed SIC set to recover the costs of providing considerable additional open space. In this regard, the Urban Taskforce **recommends** the State Government to be rigorous in their finalisation of the Aerotropolis SIC and in determining the s7.12 plan, to ensure there is no double counting.

The issue of the total quantum of development fees and charges and the impacts to the feasibility of development extend beyond Liverpool, Penrith and the Aerotropolis. This issue was explored by the NSW Productivity Commission as part of the *Review of Infrastructure Contributions in NSW* to be addressed by DPIE's review of how infrastructure is funded in NSW. In this regard the Urban Taskforce **recommends** deferral of the finalisation of the SIC and s7.12 plan for the Aerotropolis until the Department finalises the second tranche of local infrastructure planning reforms in the context of the Government response to the NSW Productivity Commission's *Review of Infrastructure Contributions in NSW*.

The Urban Taskforce asserts the economic benefits of successful development of the Aerotropolis precincts extends well beyond developers and the relevant local government areas. As such, the burden of infrastructure costs should be spread across the broader population, with local infrastructure funding being supported by State and Commonwealth funding.

The logic for this position is already established with massive infrastructure contributions being made to the development of the airport, the new Metro Rail line and the road upgrades which are already underway. Urban Taskforce Members are confused as to why contribution schemes were not developed with a view to the cumulative impact on development as well as the long term benefit derived by the Greater Sydney, NSW and Australian economies.

Table 1 includes a summary of Urban Taskforce recommendations.

The Urban Taskforce is always willing to work closely with the Government to provide a development industry perspective on proposed policy and planning changes.

Yours sincerely

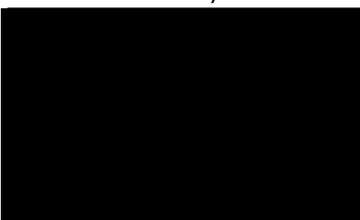


Table 1:
Summary of Urban Taskforce recommendations

	Urban Taskforce recommendation
1.	The Urban Taskforce recommends that councils' s7.12 rate for the Aerotropolis as proposed NOT be approved. Supplementary funding to support the provision of local infrastructure should be sought from State and Commonwealth treasuries given the State and nation wide significance of the precinct.
2.	To ensure future clarity and transparency of the quantum development contributions, Urban Taskforce recommends there be one levy only that aggregates all taxes and charges.
3.	Urban Taskforce recommends the State Government to be rigorous in their finalisation of the Aerotropolis SIC and in determining the s7.12 plan, to ensure there is no double counting.
4.	Urban Taskforce recommends deferral of the finalisation of the SIC and s7.12 plan for the Aerotropolis until the Department finalises the second tranche of local infrastructure planning reforms in the context of the Government response to the NSW Productivity Commission's <i>Review of Infrastructure Contributions in NSW</i> .