

16 April 2021

City of Parramatta Council  
Attention: Parramatta CBD Planning Proposal Team (Ref: F2019/00796)  
PO Box 32, Parramatta NSW 2124

Online Submission

***Draft City of Parramatta (Outside CBD) Development Contributions Plan***  
**(Ref: F2019/00796)**

I write regarding the draft City of Parramatta (Outside CBD) Development Contributions Plan prepared by Parramatta Council.

The Urban Taskforce acknowledges the need for the Parramatta LGA to be properly serviced by local infrastructure, and support in principle that new development providers should contribute to this. However, Urban Taskforce asserts that it is quite unreasonable to burden new developments with the infrastructure needs arising from past development.

There is no doubt that the growth of the Parramatta LGA, through new development that delivers new homes and jobs as Sydney's second city, has the capacity to assist with Sydney's post-COVID-19 economic recovery.

However, the private sector investment needed to deliver this recovery will be dependent on LGA having reasonable contributions rates that ensure feasibility of development and that new infrastructure delivery supports areas that have been identified for new growth.

The ***Urban Taskforce therefore opposes*** the excessive increases to contribution rates across some areas of the LGA.

The excessive increase to contribution rates is particularly evident in precincts that are currently covered by S7.12 contributions plans.

For example, within the Carter Street precinct, developments are currently levied at a rate of upwards of \$3,000 per dwelling based on the 1% levy. Under the draft Contributions Plan the contribution rates would rise towards the NSW Government's cap of \$20,000 per new dwelling.

The draft contributions plan represents up to a 500% increase in contributions that are applied to a development. This will have a significant impact on project feasibility, particularly for those developers that have purchased land on the presumption of the current contributions. This has a fundamental impact on the basis upon which investments were made and threatens the feasibility of development.

While the Urban Taskforce supports proponents making contributions towards the cost of providing essential infrastructure to service new development, it's critical that the cost of contributions is reasonable so as to not stifle investment and the delivery of important jobs and housing.

In delivering a contributions plan that provides for feasible development, the **Urban Taskforce recommends** that Council explicitly and publicly considers the feasibility of development in their consideration of the contributions plan.

Further, **Urban Taskforce recommends** that contributions rates are finalised in consultation with the development industry and not developed in the absence of ground truthing through a proper process of industry engagement.

The draft contributions plan disproportionately allocates infrastructure expenditure relative to the anticipated growth of new planning precincts.

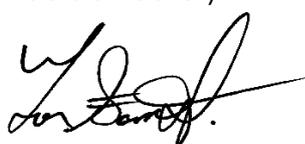
Planning precincts that are identified as accommodating growth in Council and State Government endorsed planning documents, such as the Local Strategic Planning Statement, need to be recipients of new infrastructure investment. It is unreasonable that some areas excluded for new growth will receive significantly higher infrastructure expenditure as a result of contributions received, than other precincts that have been identified for the delivery of additional homes and jobs. **Urban Taskforce recommends** Council reviews their works program, so that upgrades to infrastructure correspond to the areas identified for new growth.

In making contributions plans the council needs to consider the recommendations made in the NSW Productivity Commission's Review of Infrastructure Contributions in NSW. In this regard, **Urban Taskforce recommends** the plan be amended so that Development Contributions are required to be paid prior to the issue of a relevant Occupation Certificate, rather than a Construction Certificate. Further, **Urban Taskforce recommends** development for the purpose of providing affordable housing should remain exempt – as per the current City of Parramatta Council Section 94A Development Contributions Plan (Amendment No. 5).

Table 1 summarises all Urban Taskforce recommendations on the draft Contributions Plan.

The Urban Taskforce looks forward to on-going engagement with Council in finalising a contributions plan to be applied across the LGA.

Yours sincerely



**Tom Forrest**  
Chief Executive Officer

Table 1: Summary of Urban Taskforce Recommendations

	<b>Urban Taskforce recommendation</b>
1.	In delivering a contributions plan that provides for feasible development, the Urban Taskforce <b>recommends</b> that Council explicitly and publicly considers the feasibility of development in their consideration of the contributions plan.
2.	Urban Taskforce <b>recommends</b> that contributions rates are finalised in consultation with the development industry and not developed in the absence of ground truthing through a proper process of industry engagement.
3.	Urban Taskforce <b>recommends</b> Council reviews their works program, so that upgrades to infrastructure correspond to the areas identified for new growth.
4.	Urban Taskforce <b>recommends</b> the plan be amended so that Development Contributions are required to be paid prior to the issue of a relevant Occupation Certificate, rather than a Construction Certificate.
5.	Urban Taskforce <b>recommends</b> development for the purpose of providing affordable housing should remain exempt – as per the current City of Parramatta Council Section 94A Development Contributions Plan (Amendment No. 5).