



Australia's property industry

Creating for Generations

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Ms Mariana Cintra
Strategic Asset Officer
Bayside Council
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ROCKDALE NSW 2216

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Dear Ms Cintra

Draft Arncliffe and Banksia Local Infrastructure Contribution Plan 2020

The Property Council of Australia welcomes the opportunity to provide Council with comments regarding the draft *Arncliffe and Banksia Local Infrastructure Contribution Plan 2020* (the Draft Plan).

As Australia's peak representative of the property and construction industry, the Property Council's members include investors, owners, managers and developers of property across all asset classes. We are pleased the following comments for your consideration.

The Property Council supports implementation of the Bayside West Precincts 2036 Plan which was finalised in August 2018 and subsequent amendments made to *Rockdale Local Environmental Plan 2000* made in October 2018. The consequence of these changes was to increase the supply of new land for housing and employment uses. Initiatives that provide for the funding and delivery of new essential local infrastructure to support growth are supported.

With respect to the Draft Plan, the proposed contribution rates for residential development set out at section 1.2 of the Draft Plan indicate that rates for most dwelling types will not exceed \$20,000 regardless of the number of bedrooms (1-br, 2-br and 3-br dwellings). It is unclear why the contribution rates for all three dwelling typologies are identical. Council should provide further clarification about the methodology behind the determination of these rates.

Council should clarify the inconsistency regarding the maximum cap on local infrastructure contributions that apply in accordance with the 2012 Ministerial Direction (*Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012*) and the statement that rates will be indexed (section 3.2 of the Draft Plan). It is unclear whether Council will be seeking to apply annual indexation to the \$20,000 contribution rate.

It is noted that some of the existing local infrastructure in several parts of the precinct is at capacity. However, the proposed rates represent a substantial increase from the current contribution rates (2019/20) that apply to residential development under *Rockdale Section 94 Contributions Plan 2004*. For example, the contribution rates applying to a 1-bedroom dwelling will increase from \$9,977 (which is a 49% increase) and in respect of a 2-bedroom dwelling, the rate will increase from \$15,87 which represents a 20% increase.

Council should provide further clarity surrounding the need for such a large increase in local infrastructure contribution rates and what impact they will have on the feasibility of development, particularly if the NSW Government proceeds with a Special Infrastructure Contribution (SIC) for this precinct. The cumulative impact of a \$20,000 local contribution and a \$9,000 SIC would have a significant impact on the economic feasibility of many residential projects within the precinct undermining local jobs and investment.

Should you require further information, please do not hesitate to contact Troy Loveday, Senior Policy Adviser on (02) 9033 1907 or tloveday@propertycouncil.com.au

Yours sincerely

Jane Fitzgerald
NSW Executive Director
Property Council of Australia