

Infrastructure contributions review

Frequently Asked Questions

What are infrastructure contributions?

Infrastructure contributions are made by developers to help deliver the infrastructure needed as communities grow. They operate under the *Environmental Planning and Assessment Act 1979* (the Act) and are collected by both State and local government as one part of the funding mix used to deliver state, regional and local infrastructure.

What is the Infrastructure Contributions Review?

The NSW Government is committed to fixing the uncertainty of infrastructure contributions as a priority to reforming the NSW planning system and boosting investment. In April 2020, the Minister for Planning and Public Spaces requested the NSW Productivity Commissioner conduct a comprehensive review of the infrastructure contributions system, and to provide recommendations for reform in a Final Report due later this year.

The Review will make recommendations for a reformed system that will:

- fund the infrastructure needed to support our growing communities
- lead to an infrastructure contributions system that is simple to understand, transparent and principles-based
- meet the objectives of certainty and efficiency to support our development industry and boost investment in New South Wales.

What is the purpose of the Issues Paper?

The Issues Paper is the first stage of this Review. It explores the issues relating to the existing infrastructure funding, including mechanisms under Part 7 of the Act, as well as the broader infrastructure funding system. Each section of the paper presents issues and questions for stakeholder consideration.

The Issues Paper aims to open the conversation into how infrastructure is currently funded in New South Wales, focusing on the role of infrastructure contributions and the key issues and challenges encountered. The Issues Paper does not contain reform directions or recommendations. It seeks public feedback on the discussion questions underpinning the issues, which will be used to inform the potential reform options under consideration.

How does the Review interact with other proposed reforms currently underway in the planning space?

The Department of Planning, Industry and Environment recently exhibited proposed improvements to the infrastructure contributions system. The package of system improvements will complement the Review by delivering early improvements to the planning system.

The Review will focus on a holistic review of the existing infrastructure funding system in determining whether it meets the objectives of certainty and efficiency, while delivering the public infrastructure required to support development. In doing so, the Review will deliver on substantial reform. It may involve legislative and regulatory changes necessary to implement the proposed reforms and is aimed at longer term implementation.

How can I provide feedback?

The release of this Issues Paper starts the conversation on the way we currently fund infrastructure in New South Wales. Feedback provided on the issues and discussion questions in this paper will inform the direction of future reforms.

Key issues and discussion questions are highlighted throughout the paper. Public submissions are encouraged to address these questions and provide feedback on the issues identified. Stakeholders and the community can provide feedback on the discussion questions in the Issues Paper until **5 August 2020** at <http://productivity.nsw.gov.au/>

What happens next?

The Issues Paper will be followed by a series of stakeholder roundtables with participation from NSW Government agencies, local government, industry, and community groups. This will enable further discussion of the issues and feedback on potential reform options.

The outcomes from the public submissions and stakeholder roundtables will be used to inform and refine the design of a shortlist of reform options. These will be contained in the Final Report, planned for release later this year, for consideration by the Minister for Planning and Public Spaces.