



Dominic Perrottet

Treasurer

Rob Stokes

Minister for Planning and Public Spaces

MEDIA RELEASE

Thursday, 3 December 2020

CONTRIBUTIONS REFORM COULD UNLOCK BILLIONS

Sweeping changes to the infrastructure contributions system could unlock up to \$12 billion of productivity benefits over the next 20 years, according to a new report from the NSW Productivity Commission to be considered by the NSW Government.

Minister for Planning and Public Spaces Rob Stokes and Treasurer Dominic Perrottet welcomed the report, which lays out a roadmap for the biggest shake-up to the contributions regime in three decades.

Mr Stokes commissioned the review into the system to fix uncertainty of developer contributions, unlock new housing supply, deliver infrastructure and drive investment.

“The development industry has been telling us for years that uncertainty surrounding infrastructure contributions was driving up house prices and slowing down progress,” Mr Stokes said.

“Those who complain about growth in Sydney often have the same gripe - too much housing, not enough infrastructure. This report recommends a complete shift in thinking, where land rezoning, infrastructure planning and funding is considered together at the start of the process.

“If the changes in this new report are implemented, these barriers will be removed and development will be coordinated with the right infrastructure.”

Productivity Commissioner Peter Achterstraat’s comprehensive review of the system makes 29 recommendations, including:

- Changing the funding mix for more efficient infrastructure delivery;
- Linking council rates more closely with population growth;
- Developing a digital tool for calculating infrastructure contributions;
- Ensuring infrastructure contributions plans are in place upfront during the rezoning process;
- Supporting better open space provision through a system for the direct land dedication following re-zoning;
- Reforming state contributions so funding goes where infrastructure is required.

Mr Perrottet said the long-term benefits of boosting productivity was vital for NSW and

the state's recovery from the economic impacts of COVID-19.

"We need to strike the right balance between investing and growing the economy and ensuring we build the infrastructure our communities need," Mr Perrottet said.

"This review outlines why we need a contributions system where it is clear about who pays for what and what the economic costs and benefits are.

"This is ultimately about providing greater certainty for all parties, ensuring better infrastructure for the community and unlocking more than \$12 billion for our economy."

The Treasurer said \$14.8 million was allocated in the recent 2020-21 NSW Budget for the development of a contributions calculator, which would make it easier to determine project development costs at the start of the process.

The Government will now review the report's recommendations and consult with industry to develop a formal Government response and roadmap for implementation by early 2021.

To read the report visit <http://productivity.nsw.gov.au/infrastructure-contributions-review>

MEDIA: Alex Cauchi | Minister Stokes | 0436 443 737
Trevor Seymour | Treasurer | 0427 253 927