

Changes to infrastructure contributions in response to COVID-19

The NSW Government has made changes to the *Environmental Planning and Assessment Act 1979* in response to the COVID-19 emergency. Here are answers to some frequently asked questions about these changes.

What changes have been made to infrastructure contributions in response to the COVID-19 emergency?

The NSW Government has made changes to the *Environmental Planning and Assessment Act 1979* (EP&A Act) to allow the Minister for Planning and Public Spaces to make directions that:

- allow funds to be pooled both within and between contribution plans, despite any restrictions in a contributions plan
- specify when contributions are required to be paid.

These changes are part of a whole-of-government response towards stimulating the economy during the COVID-19 pandemic to ensure the planning system continues to support productivity, investment and community wellbeing across the State.

Two Ministerial directions have been made to give effect to some of these changes, as listed in Table 1 below.

Table 1. Ministerial directions regarding infrastructure contributions

Ministerial direction	Effects	Timing
Environmental Planning and Assessment (Local Infrastructure Contributions – Pooling of Contributions) Direction 2020	To facilitate the consolidation (pooling) of infrastructure funds to fast-track the delivery of local infrastructure. This provides increased flexibility for councils and maximises the opportunity for economic stimulus by allowing councils to bring forward infrastructure projects.	Ongoing
Environmental Planning and Assessment (Local Infrastructure Contributions – Information) Direction 2020	To request certain councils to provide information relating to the delivery of public amenities and public services specified in local contributions plans, including the staging of works. This will facilitate collaboration between the Government and councils in identifying measures to accelerate the delivery of local infrastructure and prioritise projects to stimulate the economy.	Ongoing

What do these changes mean for councils?

These changes will help councils fast-track the delivery of key local infrastructure to support their communities. This includes new roads, stormwater drainage, footpaths, cycleways, public space, social and community infrastructure. The changes will also remove the administrative burden for councils to have to amend their contribution plans to give effect to the pooling of funds.

How do these changes support industry during the crisis period?

The updated EP&A Act provides a head of power to the Minister to issue directions regarding the timing of payment of infrastructure contributions. This is to assist industry with the cashflow required to start of project construction, generate jobs and stimulate the economy.

In issuing such a direction, the NSW Government does not want to hinder the delivery of critical local infrastructure or generate administrative burden for councils. As such, the Government will work with councils to address any practical issues they have with the issuing of this direction.

How do these changes relate to improvements to the infrastructure contributions system currently on exhibition?

The NSW Government has recently announced two complementary processes to fix uncertainty around infrastructure contributions. These will unlock new housing supply, deliver vital public infrastructure and boost investment in NSW.

The first measure is a review of the infrastructure contributions system by the Productivity Commission. The second is a series of improvements to the infrastructure contributions system, which are currently on exhibition until 12 June 2020.

The changes to the infrastructure contributions system made by the COVID-19 Legislation Amendment (Emergency Measures) are not related to the current exhibition process of system improvements. The intent of these emergency measures is exclusively to contribute to the whole-of-government response to the COVID-19 pandemic.

What happens next?

The department will continue to support councils and industry during the COVID-19 pandemic.

The Planning System Acceleration Program has already brought forward immediate reforms to the planning system to support productivity, investment and jobs. It has allocated \$70 million to co-fund vital new community infrastructure in North West Sydney including roads, drainage and public parks, and will unlock plans for the construction of thousands of new houses. We will continue to work to find ways to provide additional ways to support the delivery of local infrastructure.

Where can I find out more?

For further information:

- visit planning.nsw.gov.au/local-infrastructure-contributions-policy
- email planning.covidresponse@planning.nsw.gov.au
- call 13 77 88.