

Submission
No 129

**INQUIRY INTO ENVIRONMENTAL PLANNING AND
ASSESSMENT AMENDMENT (INFRASTRUCTURE
CONTRIBUTIONS) BILL 2021**

Name: Name suppressed
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Partially
Confidential

LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEE NO. 7 – PLANNING AND ENVIRONMENT

New parliamentary inquiry into the infrastructure contributions reforms

Dear Parliamentarians

I live in a community that might be proposed for densification or redevelopment in the future.

I am alarmed by these changes and the implication for owner occupiers. I am also alarmed by the cumulative impacts.

They appear to be developer friendly, again.

I am also concerned about a double or triple whammy on owner occupiers in re-zoned areas.

Some-times there are no windfall gains for re-zoned home-owners, this has happened in my local area previously.

There is frequent use of the word 'Regulation' which implies part of the proposed changes could later bypass Parliamentary scrutiny and can be changed at whim by Government to extract more money.

With respect to Land Value Contribution Plans

- The proposed legislation appears to offer no protection to home-owners genuinely ripped-off by developers, in fact it appears that to some extent the legislation could act retrospectively with no ability to appeal to the Court 7.19 (4)
- If Land Value Contribution Plans are allowed as a tax deduction for investors (negative gearing) owner-occupiers would bear significant costs in comparison.
- The use of Certificates for Land Value Contributions will increase time, costs and complexity for home-owners if selling.
- Would the complexity of regulatory requirements and administration be met by rate-payers or owners with-in the 'area?'
- Who is the arbiter of before and after values to ascertain the 'contribution' due?
- Where is the structure/procedure if you disagree with either value?
- If Council wants money, Council should be supplying those Land Value Certificates at no cost to home-owners as well as frequent updates and advice pertaining to liabilities if areas are re-zoned for increased density.
- The Land Value Contribution does not specify if paying only on the uplift value or the whole value. It should only be paid on the uplift.

- You have to apply and pay for a certificate when Council are taking your land? Seriously? Regulations again.
- If direct land contribution occurs that is intended for public purposes, it should immediately be classified as “Community Land.”
- The costs of Land Value Contribution to strata owners in small complexes (eg villas and townhouses) could be horrendous.

In my local area, Sutherland Shire, last time there were wholesale changes via a contentious LEP in 2013-2015, some owners were left unable to replace their freestanding homes with a free-standing home of equivalent standard. They had been re-zoned from R2 (local housing) to R4 (high density.) The profit of increased land value accumulated to developer wind-fall gain. Many had signed on to 2 year ‘options’ with a developer.

By the time the 2 years were up and the developer swooped, the price of housing had increased so much that the home-owners were left in a worse position. We had ‘speculators’ and estate agents offering to buy up homes. These characters then amalgamated cheaply bought houses and on-sold to developers at profit.

Would the Committee please consider the cumulative impact to owner occupiers via the proposed Infrastructure Contributions and the mooted changes via Productivity Commission to the Council Rating system. (Draft Local Government Amendment (Rates) Bill 2021)

The reforms, when considered cumulatively could in fact represent such severe financial impacts that home-owners could be forced from their family homes and be left unable to replace their homes to an equivalent standard.

It is more cost shifting developer friendly legislation. The Rates Amendment in the Local Government Act proposes up to 150% of usual rates for some ‘contiguous areas’ and restrict the ability to use postponement of rates so you pay full rates on the up-zoned value while the land is still occupied at lower density. Also proposed is levying of ‘special rates,’ People will be starved out of their homes because more development and developer profit is all that matters. Developers will have a field day with financially stressed home-owners.

These proposals have not considered the costs to the individual, to family and community ties, and to society more broadly, of forced housing migration when people cannot afford for the cumulative impact of both Proposals. Especially affected could be retirees as they move onto pensions and fixed

incomes. This is especially relevant as “Land Value Contributions” will increase with time and people will not be able to factor an unknown amount into their budgets to purchase a new home. This could result in a loss of sense of financial security when the unknown of a proposed new ‘Contribution’ is subject to parliamentary or IPart whim. Further, who will win in a tussle between the Banks and the State Government if home-owner is unable to meets costs and is forced to sell up to repay the bank?