

15 December 2016

**Director - Transport and Strategic Infrastructure Planning
NSW Department of Planning and Environment
GPO Box 39
Sydney NSW 2001**

Dear Sir/Madam,

**Submission on Discussion Paper Hunter Special Infrastructure
Contribution Plan**

I refer to the exhibition of the Discussion Paper Hunter Special Infrastructure Contribution (SIC) Plan as part of the Hunter Regional Plan 2036. I am pleased to provide the following comments on behalf of Muswellbrook Shire Council for your consideration.

Council acknowledges that the Discussion Paper is provided only as a proposed framework for the Hunter SIC Plan. However, the following matters need to be considered in developing draft Hunter SIC Plan.

1. Cease 'Satisfactory Arrangements for State Public Infrastructure Provision'

The Muswellbrook Local Environmental Plan (LEP) requires satisfactory arrangements to be made for the provision of designated State public infrastructure before the subdivision of land in the urban release areas. To satisfy this requirement, it is necessary for Council to obtain the Secretary's approval that satisfactory arrangements have been made.

An extract of Muswellbrook LEP Clause 6.1 as follows:

6.1 Arrangements for designated State public infrastructure

(1) The objective of this clause is to require satisfactory arrangements to be made for the provision of designated State public infrastructure before the subdivision of land in an urban release area to satisfy needs that arise from development on the land, but only if the land is developed intensively for urban purposes.

(2) Development consent must not be granted for the subdivision of land in an urban release area if the subdivision would create a lot smaller than the minimum lot size permitted on the land immediately before the land became, or became part of, an urban release area, unless the Director-General has certified in writing to the consent authority that satisfactory arrangements have been made to contribute to the provision of designated State public infrastructure in relation to that lot.

However, the State infrastructure providers cannot request a contribution on land historically zoned for residential purposes. In the Muswellbrook LGA, the majority of existing urban release areas were historically zoned for residential under the Muswellbrook LEP 1985. As a result, the Department issued the Secretary's satisfactory arrangements certificate in 2012 under the provisions of *Part 6 Urban Release Area – Clause 6.1* of the Muswellbrook LEP. It indicates that satisfactory arrangements are in place for the provision of State infrastructure in respect of future development within the Denman and Muswellbrook urban release areas.

The Discussion Paper indicates that the proposed Hunter SIC would cease Clause 6.1 requirements. As a result, all urban release areas within the Muswellbrook LGA would need to contribute towards the State public infrastructure provision. Given that these urban release areas have already fulfilled the satisfactory arrangements requirements, Council recommends providing an exception to the existing urban release areas where requirements of the Clause 6.1 has been met and possess the satisfactory arrangements certificate issued by the DP&E.

2. Identifying priority infrastructure for funding

The Hunter SIC will identify the infrastructure that will be required to support growth as foreshadowed in the HRP 2036. The Discussion Paper indicates that the proposed SIC will apply to the Lower Hunter, Upper Hunter and Mid-Coast in alignment with infrastructure catchments and consistent with the HRP 2036.

The Discussion Paper identifies the broader categories of State infrastructure (emergency services, education facilities, health facilities and transport) that should be included in the proposed Hunter SIC. Appendix 1 of the Discussion Paper contains a range of preliminary infrastructure requirements and related projects that may be included in the proposed Hunter SIC. It is acknowledged that Appendix 1 is an example only. However, it provides a basis for Council to determine what should be included in the proposed SIC and what should not.

As an example, Table 5 of Appendix 1 includes shared paths and cycleways, which raise the question as to what is the 'regional significance' of such infrastructure. However, the proposed Thompson Street/ New England Highway signalised intersection should be considered as infrastructure of regional significance and which supports development of a bulky good retail precinct to cater the Upper Hunter region. It has the capacity to also generate employment opportunities for the broader Upper Hunter region.

Therefore, Council insists that the Department to consult with the individual local councils in the region to identify appropriate state infrastructure items prior to release of draft Hunter SIC Plan.

Furthermore, the HRP identifies regionally significant biodiversity corridors that link vegetation to form a wildlife habitat. Investing in conservation outcomes that protect and enhances habitat connections will deliver multiple benefits to the environment and the community in the broader Hunter Region. In this context, Council recommends to further investigate opportunities in the proposed Hunter SIC Plan to contribute towards the broader regional biodiversity/conservation corridors identified in HRP 2036.

3. Apportioning infrastructure costs

In general, development on land outside of an urban release area/growth precinct does not currently pay for new infrastructure and only *growth precincts* pay for required new infrastructure (locational nexus). The Discussion Paper proposes to share infrastructure costs across all development that generates a demand for such infrastructure based on service catchment (functional nexus). In this context, it indicates that it will result in a more equitable distribution of costs.

Nonetheless, both of these approaches have their own advantages and shortcomings. Council recommends modelling of both scenarios and identification of potential implications at both the local and regional scale to ensure that the proposed Hunter SIC Plan is fair and will provide appropriate financial contributions towards the cost of regional significance infrastructure.

Council appreciates the opportunity to comment and would be pleased to provide further information if required. We look forward to the Department's consideration of, and response to, Council's submission.

Should you have any questions regarding the above matter, please contact Council's Strategic Planner, Pathum Gunasekara on 02 65493860.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'SMcDonald', written in a cursive style.

Steve McDonald
GENERAL MANAGER