

Land use planning process

This document answers frequently asked questions regarding proposed changes to the way land use contributions are made which are being exhibited as part of the infrastructure contributions reforms.

The NSW Government is reforming the infrastructure contributions system. The NSW Productivity Commissioner's 29 recommendations will deliver a certain, transparent, simple, efficient, and consistent system.

A Local contribution plan is to be exhibited at the same time as planning proposals in order that infrastructure demand, requirements and costs are known at the strategic planning stage. The reforms will be enacted through a Ministerial Direction and supported by a planning practice note.

When developing a local contributions plan in association with a planning proposal, you should at a strategic level consider how to rationalise the requirements for the acquisition of land and consider dual use of land for open space/community facilities. The reform will be enacted through a Ministerial Direction.

What are the changes to the timing of exhibition of infrastructure contributions plans when associated to a planning proposal?

A local contributions plan is to be prepared and placed on exhibition at the same time as planning proposals, where a new or amended contributions plan is required to accommodate the increased demand for public amenities and public services as a result of new development. This is to provide certainty as to the likely development costs, including local infrastructure contributions, that will arise from decisions to facilitate development through changes to planning controls.

A practice note supports a Ministerial Direction by outlining best practise process to facilitate a local contributions plan being exhibited at the same time as a planning proposal.

What are the changes that need to be considered regarding open space when developing an infrastructure contributions plan associated to a planning proposal?

A council or proponent when undertaking strategic planning for new residential development or renewal areas need to demonstrate consideration of the efficient use and design of land, including the possibility for the dual use or shared use of land for open space, public amenities, public facilities and community facilities.

The strategic planning consideration does not seek to reduce the totality or types of public amenities and public services to be provided in connection with residential development and instead encourages the consideration, as part of a planning proposal, of opportunities for the sharing of public open space, drainage purposes and public facilities land for a variety of public purposes.

Why should a local contributions plan be exhibited at the same time as a planning proposal?

Ordinarily local contributions plans are developed by local councils when the demand for the local infrastructure and extent of land for a new development is known, primarily after more detailed design work has been undertaken. A local contributions plan is then amended or developed, predominantly prior to a development application being assessed

The Productivity Commission's recommendation wishes to ensure that early consideration is made of the infrastructure costs for land and services that are demanded with new development when land is being rezoned.

Not knowing the constraints and costs impedes the ability to support efficient and cost effective delivery of land and infrastructure to meet the growing need.

Why are the changes to consider the efficient use of land being introduced?

Efficient planning and use of land is necessary due to the need to provide open space balanced against the cost of infrastructure.

Measures to facilitate the efficient use of land proposed for public open space need to be considered in the context of any other guidance provided by the Minister or the Department relating to the provision of local and State public open space in accordance with principles, objectives and performance indicators for the relevant type of development

What are the benefits of the simultaneous exhibition?

The changes are introduced to ensure that the infrastructure needs, and costs are known upfront so to increase certainty and allow costs to be factored into decision making.

A practice note will be beneficial by outlining the best practise process to follow to achieve the simultaneous exhibition.

What are the benefits of sharing or dual use of land?

To ensure efficient use of land at a strategic level so that adequate land for public amenities and facilities is provided in new developments.

Will every planning proposal need to have a new local contributions plan?

No.

A local contributions plan (whether a section 7.11 or section 7.12 of the Act) will be required when:

- a planning authority is of the view that the current contributions plan does not adequately address the need for, or any increase in demand or cost for, public amenities or public services that will, as a result of the development that the planning proposal, if implemented, will be permitted to be carried out.
- if the proposed increase in demand for public amenities or public services is likely to be minor and can be met by existing amenities and services.

A local contributions plan will not be required if a planning agreement has been entered to, or is proposed to be entered into, and that it makes adequate provision for public amenities or public services that development permitted by the planning proposal will require.

Will every planning proposal need to consider the efficient use of land?

No.

It will apply to a planning proposal in an existing or proposed residential zone or business zone (including the alteration of any existing residential zone or business zone boundary) and any other zone in which significant residential development is proposed to be permitted in order that adequate shared open space is accessible to the future community.

It does not apply to a planning proposal which only proposes to rezone land for rural residential purposes.

Local contribution plans referred to IPART may delay the planning proposal?

The practise note states that the contributions plan should, in the exceptional situations, be referred to IPART post exhibition.

When will the changes come into effect?

The Ministerial Direction and practice note will be combined to form part of the infrastructure reforms package system in July 2022.

What are the next steps?

The department is exhibiting other Ministerial Directions and draft practice note modules. These are available as [interlinked webpages](#) and as a [PDF](#).

We are very interested in receiving feedback on whether the practice note improves practitioners' approach and understanding of the simultaneous exhibition of local contribution plans with planning proposals. We're particularly interested in knowing if and how the content helps improve how you do your jobs.

We will consider all feedback received and seek to improve the exhibited Ministerial direction and practice note based on this feedback.