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Reference:

Thursday, 9 December 2021

Ms Megan Nugent
Director – Infrastructure Partnerships and Agreements
Department of Planning, Industry and Environment
Locked Bag 5022
Paramatta NSW 2124

Dear Ms Nugent,

RE: Submission to DPIE on Infrastructure Contributions Reform

Thank you for the opportunity for Sydney Coastal Councils Group (SCCG) to comment on DPIE's Infrastructure Contributions Reform. This reform is very relevant to our role in addressing the key threat of urban stormwater discharge to achieve improved and sustained waterway health in the Sydney region by establishing a sustainable funding model for local government.

The SCCG

The SCCG is a regional organisation of councils, established in 1989 to promote collaboration among member councils on environmental issues relating to sustainable management of the urban coastal and estuarine environment. The group comprises nine councils adjacent to Sydney marine and estuarine environments and associated waterways and represents nearly 1.3 million Sydneysiders.

In partnership with the Parramatta River Catchment Group, the SCCG is project managing the delivery of the [Greater Sydney Harbour Coastal Management Program](#) (CMP) which involves 20 Councils and several state partners comprising of DPIE, Sydney Water, EPA and Transport NSW. The vision for the CMP is to improve and sustain waterway health through better coordination, consistency and leadership. A key challenge in achieving this goal is the lack of sustainable funding to improve the management of urban stormwater discharge.

Urban Stormwater Discharge is a state-wide priority threat and therefore needs to be addressed

As identified in the [Marine Estate Management Authority's 10 year Strategy](#), urban stormwater discharge is a state-wide priority threat to the environmental, social and economic benefits derived from the marine estate. The community survey that was done to inform the strategy identified that the marine estate's most important asset was clean waters that support a variety of unique and abundant Australian marine life. Yet to maintain this community value and reduce this priority threat requires a collaborative, supportive and strengthened approach to stormwater management.



Appropriate stormwater management can achieve significant benefits to water quality and liveability which is recognised by the Greater Sydney Commission (GSC) in its Greater Sydney Regional Plan. Improving the management of stormwater is also a key objective of the Greater Sydney Harbour CMP.

Water Sensitive Urban Design (WSUD) Improves Liveability

Stormwater pollution remains a major contributing factor of poor water quality which leads to a reduction in livability. Without action, water quality in the Sydney region is expected to deteriorate as densifying growth continues in the catchments. Yet urban development that embraces water sensitive urban design such as blue-green infrastructure and innovative management of stormwater has the ability to significantly slow down this damaging pollution problem and create more liveable cities.

Policy reform is required to facilitate water sensitive urban design to maintain healthy soils and minimise the impact of stormwater runoff on waterways. This can be achieved through measures like reduction in runoff quantity and increasing passive filtration on site to minimise erosion. Urban development and the provision of open space that embrace blue-green infrastructure and innovative management of stormwater can greatly improve water quality and protect the critical natural habitat for plants and animals. As can an increase in land dedication to Councils for waterway improvements. Water Sensitive Urban Design (WSUD) elements like rain gardens and naturalised water channels should be included in waterway improvements as well as public and private open spaces wherever possible. These WSUD elements provide an aesthetic value as well as improved water quality and as a result improvement in biodiversity. All this can be achieved with the help of infrastructure contribution.

Appropriately funding stormwater management is critical

One of the key issues currently being addressed through the Greater Sydney Harbour CMP is the extent to which Councils can sustainably fund activities such as upgrades, installation and maintenance of stormwater devices, and associated infrastructure. It is challenging for Councils to co-ordinate and justify locality specific infrastructure contributions into a coherent, catchment wide plan. In addition to this, there is no appropriate level or sustainable source of funding as identified in the [SCCG's correspondence to Minister on the inadequacy of the Stormwater Management Services Charge](#). Key infrastructure is at risk of not being provided and maintained resulting in unacceptable impacts to waterway health.

Opportunities to address funding challenges through this reform process

After reviewing the documentation on exhibition for the Infrastructure Contribution Reform the SCCG commends the reform process. A system that can facilitate infrastructure contributions in a simple, consistent and efficient way with transparency and certainty is welcomed. Cost of development and associated infrastructure has certainly increased therefore the SCCG supports the proposal to increase fixed levies provided our concerns are addressed regarding delivery of well-integrated and well-maintained infrastructure.

Currently there are gaps in the provision of infrastructure that exist and can be address via this review with a careful and collaborative approach. Specifically, there is an urgent need for improved stormwater management infrastructure as identified by our Councils. There is a lack of infrastructure that manages both stormwater quality and quantity to minimise stormwater impacts on aquatic ecosystems. There is also a lack of infrastructure to facilitate the use of stormwater as a resource. Provision of these types of infrastructure is underpinned by principles of sustainable development which should be an underlying focus with all infrastructure contributions. Therefore, the delivery of effective and integrated water management is central to this submission.



Wider Strategic Context

The importance of funding blue-green infrastructure has been reflected in DPIE's place making initiatives and GSC's vision for a greener Greater Sydney through a blue green grid. The provision of open space with WSUD and integrate water management supports many of GSC's 10 Directions including: "an efficient city", "a resilient city", "a collaborative city", "a city in its landscape" and "a city for people". This aligns closely with the idea that the people of Greater Sydney should be able to enjoy good quality clean water and gain social and economic benefits knowing that we are all doing our best to return the marine environment to it's natural state.

In GSC's Metropolis of Three Cities and specifically the Eastern City District Plan there is encouragement for inclusion of WSUD in Local Strategic Planning Statements to facilitate development with improved waterway health. The specific objectives include:

- Objective 25 – coast & waterways protected and healthier
- Objective 34 – water flows captured used and re-used
- Objective 35 – more waste is reused and recycled

The Draft Greater Sydney Water Strategy (September 2021) has 5 priorities that are needed to be achieved all of which are relevant to providing integrated water infrastructure. The priorities are:

- Priority 1- We understand how much water we need and when
- Priority 2- Our water systems are sustainable for the long term and resilient to extreme events
- Priority 3- Our city is green and liveable
- Priority 4- Our waterways and landscapes are healthy
- Priority 5- Water management and services meet community needs

Within this strategy it is noted that one of the solutions to water issues in Greater Sydney would be investment in upgrades, new connections and leak management to address the risks posed by ageing water and wastewater systems and infrastructure.

Priority 4 (as above) is to be actioned by maintaining and improving ecosystem health, investing in wastewater management, improving stormwater management and protecting water recreation.

Despite this support in the wider strategic context, it has been reported that blue green infrastructure such as rain gardens are often the first design component to be scaled back due to a lack of funds in contribution plans. They are not typically looked at as essential when assessed against guidelines by DPIE. Perhaps this suggests there is a disconnect between State-wide strategic priorities and the decision-making guidelines of infrastructure contributions. In the current review perhaps more specific language is needed regarding the provision of infrastructure for integrated water management. The direct impact on stormwater as well as the place making benefits of such infrastructure should be considered and adequately funded. Below is some specific feedback regarding some of the wording within the documents presented in the exhibition package for Infrastructure Contribution Reform.

Recommendation 1: Include more specific language in the infrastructure contribution reform documents and guidelines to facilitate blue green infrastructure.

Regional Infrastructure Contributions Discussion Paper (Oct 2021)

Section 3.3.4 Strategic Biodiversity Component Fund



A key objective of the Strategic Biodiversity Component (SBC) Fund involves “enabling the government to apply a charge on development and use this revenue to fund a program of conservation, land acquisition, biodiversity stewardship sites and ecological restoration” We understand that revenue collected through the SBC will be paid into the SBC Fund and distributed to delivery partners, such as Biodiversity Conservation Trust to undertake approved conservation measures. Given that many urban developments will create stormwater runoff that will affect the biodiversity of Sydney’s marine and estuarine environments and associated waterways, a charge for these impacts would be justifiable.

Recommendation 2: Expand the application of the SBC fund to encourage improvements to biodiversity of marine environments.

Section 3.3.5 Infrastructure Delivery Agreement (IDAs)

As is noted in this section “Regional Infrastructure Contributions (RICs) will generally be paid through a monetary contribution via a condition of development consent or complying development certificates....” SCCG are supportive of this as well as the Infrastructure Delivery Agreement (IDA) approach. To allow a developer or landowner to act as a delivery partner with government by building and dedicating infrastructure to the public that supports development is particularly relevant to the provision of infrastructure that the SCCG are advocating for. The provision of open space with WSUD elements as well as stormwater infrastructure can be aligned with the key “principles” of the RIC framework that drive decisions on IDAs. Some of these principles are presented below along with further recommendations.

Principle 1: “The proposal (for IDA) reflects state-endorsed infrastructure priorities and aligns with other development and infrastructure plans”

In the interest of collaboration on sustainable development in NSW the state government need to endorse WSUD and stormwater management as high priority infrastructure.

It is recommended that these priorities can be drawn from strategic documents like Draft Greater Sydney Water Strategy (September 2021) mentioned above and Greater Sydney Harbour Coastal Management Program mentioned at the beginning of this submission.

Principle 2: “The proposal achieves time and/ or delivery efficiencies”. As part of the assessment of a proposed IDA developers need to provide evidence on how community outcomes will be improved by acting as an infrastructure delivery partner for government. With the delivery of infrastructure that improves water quality of Sydney’s marine and estuarine environments the positive community outcomes are significant.

It is recommended that some specific language around WSUD, integrated water management and stormwater improvements be added to the RIC framework to guide decision- making.

In the push to generally improve places for people across Greater Sydney there are many forms of water sensitive infrastructure that can contribute to stormwater management and urban greening.

Recommendation 3: Provide extra guidance for water sensitive urban design and infrastructure through the RIC framework.

Regional Infrastructure Contributions Fund Investment Prioritisation Guidelines

The guidelines prioritise “public amenities or public services, including infrastructure that enhances public open space or the public domain” and the guidelines also prioritise “measures to conserve or enhance the natural environment”....



The infrastructure that the SCCG is advocating for on behalf of its nine Council members fit well into these priorities. Urgent infrastructure that is required include pollution traps and water treatment and reuse options. The water sensitive urban design (WSUD) elements could include naturalised water channels, swales and rain gardens.

Recommendation 4: Include guidelines to facilitate these urgent infrastructure needs such as “conserve and enhance natural land and waterway systems alongside growth and development”. Could add this to “Outcomes” in Figure 1- RIC Fund Investment Logic”

Alternative Approaches to Infrastructure Contribution

[The Water Services Association of Australia \(WSAA\)](#) deliver some very relevant key messages in their submission to NSW Productivity Commission regarding Infrastructure Contributions Reform. Specifically, that it would be a missed opportunity if developers are not contributing to sustainably funded blue green infrastructure. Unfortunately in Sydney, all funding for water and wastewater infrastructure is reliant on user charges rather than developer contributions. Compared to the developer charges for water and wastewater across Australia this approach in Sydney and elsewhere in NSW is not consistent with the rest of the country. There is also a real anomaly evident when comparing the developer contribution of other infrastructure to the contributions of water and wastewater.

Just one example of a policy where developers are making payments towards waterway protection works and water quality treatment infrastructure is [Melbourne Water's Contributions 1.6 Policy](#). Developers are required to pay contributions for infrastructure necessary for the conveyance of stormwater on a specific development site and / or payments for water quality components to treat stormwater throughout the relevant catchment.

Recommendation 5: Introduce policy in NSW for developer contributions towards waterway protection and water quality that is consistent with policy across Australia such as the approach Melbourne Water has taken.

The SCCG is available to discuss this submission with members of the Infrastructure Contributions Reform team and would welcome the opportunity to work collaboratively to address the urgent need for integrated water infrastructure. Please do not hesitate to contact me via email at executiveofficer@sydneycoastalcouncils.com.au

Yours sincerely,



Sarah Penny Joyce
Executive Officer



Sutherland Shire
COUNCIL



INNER WEST



WAVERLEY
COUNCIL



Bayside Council

northern
beaches
council



WILLOUGHBY
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Randwick City Council
a sense of community

