

3 October 2012

General Manager
Byron Shire Council
PO Box 219
Mullumbimby NSW 2482

E-mail: submissions@byron.nsw.gov.au.

Dear Sir/Madam,

Re: Draft Byron Shire Developer Contributions Plan 2012

The Urban Taskforce represents Australia's most prominent property developers and equity financiers. We provide a forum for people involved in development and the planning of the urban environment to engage in constructive dialogue with government and the community.

The Urban Taskforce previously reviewed the draft Byron Shire Direct Contributions Plan 2008 and made a submission to Council expressing serious concerns with the proposed contribution rates. We argued that these rates were excessive and would essentially stifle development.

The Urban Taskforce has now had the opportunity to review the *draft Byron Shire Developer Contributions Plan 2012* and while we are pleased to see a general reduction in the developer contribution rate, we take this opportunity to again highlight the detrimental impact of excessive developer contributions on housing provision and affordability. If Council is to support housing diversity and affordability, it must look at the cumulative total of developer fees and charges, not just section 94 contributions in isolation.

The Urban Taskforce has made numerous submissions to Government on the importance of ensuring development fees and charges are reasonable. In this regard, we strongly argue for an element of market reality when determining development charges, particularly when preparing a section 94 contributions plan. We are of the belief that this approach has not been adopted in the past by many councils, including Byron Shire Council. For instance, in the Mullumbimby area it is noted that the proposed section 94 contribution is \$16,907 and in the Byron Bay/Suffolk Park area it is noted that the proposed section 94 contribution is \$11,925. The Urban Taskforce continues to be concerned with the imposition of such a tax on development. These charges, when added to other existing charges and the high acquisition cost of undeveloped land may still result in the cost of producing development sites being higher than the market value. This simply means that no land is developed; demand for housing continues to outstrip supply and hence housing remains out of reach of those in greatest need.

Reducing infrastructure charges may initially increase returns for landowners/developers, but the real benefit is that this reduction in cost will increase supply of land coming onto the market. An increase in supply must result in an overall reduction in cost of housing.

Notwithstanding any of the above, the Urban Taskforce continues to be concerned with the lack of information provided in the exhibited draft contributions plan. The works schedules do not provide appropriate project specification or cost justification. Council is not being transparent and therefore the community is unable to hold council accountable for project quality or delivery without sufficient project information.

We are always willing to provide a development industry perspective on planning policy and we would welcome the opportunity to discuss these issues with you in more detail. Should you have any further enquires in relation to this submission please feel free to contact me on telephone number 9238 3927.

Yours sincerely
Urban Taskforce Australia

A handwritten signature in blue ink, appearing to read "Chris Johnson".

Chris Johnson, AM
Chief Executive Officer