



# **Ordinary Meeting of Council**

**24 March 2021**

**UNDER SEPARATE COVER  
ATTACHMENTS**

**ITEM 9.3 AND 10.1**

QUEANBEYAN-PALERANG REGIONAL COUNCIL  
ORDINARY MEETING OF COUNCIL

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# QUEANBEYAN-PALERANG REGIONAL COUNCIL

Council Meeting Attachment

24 MARCH 2021

ITEM 9.3 INVESTMENT REPORT - FEBRUARY 2021

ATTACHMENT 1 INVESTMENT REPORT PACK - FEBRUARY 2021



# Investment Report Pack

Queanbeyan-Palerang Regional Council

As At 28 February 2021



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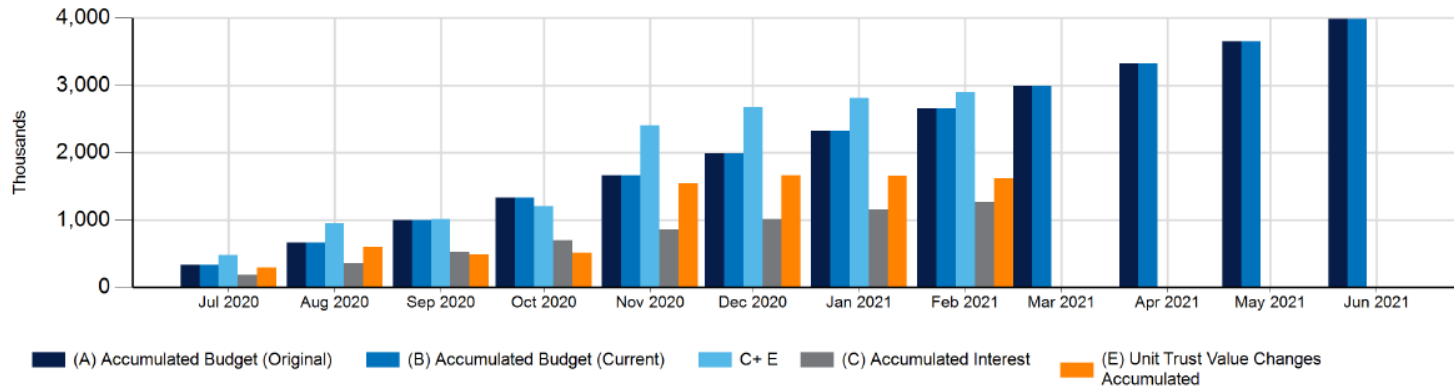


### 1. Budget vs Actual Interest Income 1 July 2020 to 30 June 2021

Month / Year	(A) Income Interest Budget (Original) Running Total	Interest Income Budget (Current) For Month	(B) Interest Income Budget (Current) Running Total	(T) Interest Income Received/Accrued For Month	(C) Interest Income Received/Accrued Running Total	Accrued Interest Acquired For Month	Accrued Interest Acquired Running Total	(U) Unit Trust Market Value Changes	(E) Unit Trust Market Value Changes Running Total	'Return' For Month (T+U)
Jul 2020	332,474.00	332,474.00	332,474.00	185,736.49	185,736.49	0.00	0.00	297,157.56	297,157.56	482,894.05
Aug 2020	664,948.00	332,474.00	664,948.00	171,543.53	357,280.02	0.00	0.00	299,643.51	596,801.07	471,187.04
Sep 2020	997,422.00	332,474.00	997,422.00	169,692.34	526,972.36	0.00	0.00	(109,692.02)	487,109.05	60,000.32
Oct 2020	1,329,896.00	332,474.00	1,329,896.00	170,605.44	697,577.80	0.00	0.00	24,205.91	511,314.96	194,811.35
Nov 2020	1,662,370.00	332,474.00	1,662,370.00	159,745.13	857,322.93	0.00	0.00	1,037,604.90	1,548,919.86	1,197,350.03
Dec 2020	1,994,844.00	332,474.00	1,994,844.00	156,134.70	1,013,457.63	0.00	0.00	113,666.65	1,662,586.51	269,801.35
Jan 2021	2,327,318.00	332,474.00	2,327,318.00	141,616.22	1,155,073.85	0.00	0.00	(6,250.82)	1,656,335.69	135,365.40
Feb 2021	2,659,792.00	332,474.00	2,659,792.00	115,225.39	1,270,299.24	0.00	0.00	(32,503.18)	1,623,832.51	82,722.21
Mar 2021	2,992,266.00	332,474.00	2,992,266.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Apr 2021	3,324,740.00	332,474.00	3,324,740.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May 2021	3,657,214.00	332,474.00	3,657,214.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jun 2021	3,989,688.00	332,474.00	3,989,688.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		3,989,688.00		1,270,299.24		0.00		1,623,832.51		2,894,131.75

Notes on Table Above  
 1A. The numbers shown in Column T are the accrual interest amounts for that month combined with the At Call Deposit, Unit Trust and Unassigned interest and distribution income received during that month.  
 1B. The accruals shown in this section have been calculated using each security's coupon schedule.

#### Accumulated Budget vs Actual (Accruals Based Upon Coupon Payment Schedules)





## 2. Portfolio Valuation As At 28 February 2021

Fixed Interest Security	Security Rating	ISIN	Face Value Original	Bond Factor	Face Value Current	Capital Price	Accrued Interest Price	Unit Price Notional	Unit Count	Market Value	% Total Value	Running Yield	Weighted Running Yield
<b>At Call Deposit</b>													
AMP QPRC At Call	S&P ST A2		865,361.71	1.00000000	865,361.71	100.000	0.000			865,361.71	0.51%	0.50%	
BENAU At Call	Moody's A3		17,137.60	1.00000000	17,137.60	100.000	0.000			17,137.60	0.01%	0.05%	
BENAU transaction At Call	Moody's A3		114,683.09	1.00000000	114,683.09	100.000	0.000			114,683.09	0.07%	0.00%	
NAB At Call	S&P AA-		5,646,078.37	1.00000000	5,646,078.37	100.000	0.000			5,646,078.37	3.31%	0.40%	
NAB General At Call	S&P AA-		5,237,032.51	1.00000000	5,237,032.51	100.000	0.000			5,237,032.51	3.07%	0.10%	
NAB Links At Call	S&P AA-		763,629.76	1.00000000	763,629.76	100.000	0.000			763,629.76	0.45%	0.10%	
			12,643,923.04		12,643,923.04					12,643,923.04	7.41%		0.26%
<b>Fixed Rate Bond</b>													
NTTC 1.1 15 Dec 2024 - Issued 16 Sep 2020 Fixed	Moody's Aa3		3,000,000.00	1.00000000	3,000,000.00	100.000	0.226			3,006,780.00	1.76%	1.10%	
			3,000,000.00		3,000,000.00					3,006,780.00	1.76%		1.10%
<b>Flexi Deposit (Fix/Float)</b>													
Westpac 2.96 25 Oct 2022 182DAY FD	S&P AA-		2,000,000.00	1.00000000	2,000,000.00	100.000	0.000			2,000,000.00	1.17%	0.96%	
Westpac 2.89 07 Dec 2022 182DAY FD	S&P AA-		3,000,000.00	1.00000000	3,000,000.00	100.000	0.000			3,000,000.00	1.76%	0.97%	
			5,000,000.00		5,000,000.00					5,000,000.00	2.93%		0.97%
<b>Floating Rate Deposit</b>													
Westpac 1.01 17 Apr 2024 1827DAY FRD	S&P AA-		3,000,000.00	1.00000000	3,000,000.00	100.000	0.000			3,000,000.00	1.76%	1.02%	
Westpac 1.29 Apr 2024 1827DAY FRD	S&P AA-		4,000,000.00	1.00000000	4,000,000.00	100.000	0.000			4,000,000.00	2.34%	1.01%	
Westpac 0.98 03 Jul 2024 1827DAY FRD	S&P AA-		5,000,000.00	1.00000000	5,000,000.00	100.000	0.000			5,000,000.00	2.93%	0.99%	
			12,000,000.00		12,000,000.00					12,000,000.00	7.03%		1.00%
<b>Floating Rate Note</b>													
AMP 1.08 10 Sep 2021 FRN	S&P BBB	AU3FN0044657	3,000,000.00	1.00000000	3,000,000.00	100.121	0.241			3,010,860.00	1.76%	1.10%	
AMP 1.05 30 Mar 2022 FRN	S&P BBB	AU3FN0035283	2,000,000.00	1.00000000	2,000,000.00	99.968	0.174			2,002,840.00	1.17%	1.06%	
Auswide 1.05 17 Mar 2023 FRN	Moody's Baa2	AU3FN0053567	2,500,000.00	1.00000000	2,500,000.00	100.384	0.213			2,514,925.00	1.47%	1.06%	
BOQ 1.48 18 May 2021 FRN	Fitch A-	AU3FN0031290	2,000,000.00	1.00000000	2,000,000.00	100.291	0.041			2,006,640.00	1.18%	1.49%	
BENAU 1.46 20 Apr 2021 FRN	Moody's A3	AU3FN0030938	1,000,000.00	1.00000000	1,000,000.00	100.190	0.157			1,003,470.00	0.59%	1.47%	
BENAU 1.05 25 Jan 2023 FRN	Moody's A3	AU3FN0040523	1,500,000.00	1.00000000	1,500,000.00	101.404	0.099			1,522,545.00	0.89%	1.06%	
CBA 1.11 17 Jan 2022 FRN	S&P AA-	AU3FN0034005	2,000,000.00	1.00000000	2,000,000.00	100.895	0.126			2,020,420.00	1.18%	1.12%	
CBA 0.88 25 Jul 2022 FRN	Moody's Aa3	AU3FN0037198	2,000,000.00	1.00000000	2,000,000.00	101.038	0.083			2,022,420.00	1.18%	0.89%	
CBA 0.93 16 Aug 2023 FRN	S&P AA-	AU3FN0044046	1,500,000.00	1.00000000	1,500,000.00	101.735	0.031			1,526,490.00	0.89%	0.94%	
CBA 1.13 11 Jan 2024 FRN	S&P AA-	AU3FN0046561	5,000,000.00	1.00000000	5,000,000.00	102.473	0.151			5,131,200.00	3.01%	1.15%	
CredSuis 1.95 09 Mar 2021 FRN	S&P A	AU3FN0030458	1,000,000.00	1.00000000	1,000,000.00	100.046	0.437			1,004,830.00	0.59%	1.97%	
CUA 1.23 04 Mar 2022 FRN	Moody's Baa1	AU3FN0046793	1,000,000.00	1.00000000	1,000,000.00	100.968	0.294			1,012,620.00	0.59%	1.25%	



Fixed Interest Security	Security Rating	ISIN	Face Value Original	Bond Factor	Face Value Current	Capital Price	Accrued Interest Price	Unit Price Notional	Unit Count	Market Value	% Total Value	Running Yield	Weighted Running Yield
CUA 0.9 21 Feb 2023 FRN	S&P BBB	AU3FN0052924	1,100,000.00	1.00000000	1,100,000.00	100.958	0.015			1,110,703.00	0.85%	0.91%	
HBS 1.23 29 Mar 2021 FRN	Moody's Baa1	AU3FN0041646	2,000,000.00	1.00000000	2,000,000.00	100.084	0.209			2,005,860.00	1.18%	1.25%	
HSBCSyd 0.83 27 Sep 2024 FRN	S&P A+	AU3FN0050498	4,000,000.00	1.00000000	4,000,000.00	100.983	0.142			4,045,000.00	2.37%	0.85%	
MACQ 0.84 12 Feb 2025 FRN	Moody's A2	AU3FN0052908	3,000,000.00	1.00000000	3,000,000.00	101.427	0.037			3,043,920.00	1.78%	0.85%	
RACB 1.05 23 May 2022 FRN	Moody's Baa1	AU3FN0048328	800,000.00	1.00000000	800,000.00	100.831	0.015			806,768.00	0.47%	1.06%	
RACB 0.93 24 Feb 2023 FRN	S&P BBB+	AU3FN0053146	1,850,000.00	1.00000000	1,850,000.00	100.645	0.010			1,862,117.50	1.09%	0.94%	
ME Bank 0.98 18 Jul 2022 FRN	S&P BBB	AU3FN0048948	2,500,000.00	1.00000000	2,500,000.00	100.857	0.111			2,524,200.00	1.48%	0.99%	
NAB 1.17 12 May 2021 FRN	S&P AA-	AU3FN0031274	5,000,000.00	1.00000000	5,000,000.00	100.217	0.052			5,013,450.00	2.94%	1.18%	
NAB 0.9 05 Jul 2022 FRN	S&P AA-	AU3FN0036950	5,000,000.00	1.00000000	5,000,000.00	101.039	0.136			5,058,750.00	2.96%	0.92%	
NAB 0.93 26 Sep 2023 FRN	S&P AA-	AU3FN0044996	3,000,000.00	1.00000000	3,000,000.00	101.762	0.159			3,057,630.00	1.79%	0.95%	
NAB 1.04 26 Feb 2024 FRN	S&P AA-	AU3FN0048777	2,000,000.00	1.00000000	2,000,000.00	102.279	0.006			2,045,700.00	1.20%	1.07%	
NAB 0.92 19 Jun 2024 FRN	S&P AA-	AU3FN0048724	3,200,000.00	1.00000000	3,200,000.00	101.954	0.177			3,268,192.00	1.91%	0.93%	
NPBS 1.4 06 Feb 2023 FRN	S&P BBB	AU3FN0040606	1,250,000.00	1.00000000	1,250,000.00	101.571	0.077			1,270,600.00	0.74%	1.41%	
RABOBK 1.5 04 Mar 2021 FRN	S&P A+	AU3FN0030409	1,000,000.00	1.00000000	1,000,000.00	100.016	0.357			1,003,730.00	0.59%	1.52%	
RABOBK 1.08 03 Mar 2022 FRN	S&P A+	AU3FN0034690	1,000,000.00	1.00000000	1,000,000.00	100.926	0.262			1,011,880.00	0.59%	1.10%	
Westpac 1.17 03 Jun 2021 FRN	S&P AA-	AU3FN0031530	2,000,000.00	1.00000000	2,000,000.00	100.284	0.284			2,011,360.00	1.18%	1.19%	
			63,200,000.00		63,200,000.00					63,919,120.50	37.45%		1.08%
Floating Rate TCD													
BOC 0.78 27 Oct 2023 FloatTCD	S&P A	AU3FN0057162	1,500,000.00	1.00000000	1,500,000.00	100.367	0.069			1,506,540.00	0.88%	0.79%	
			1,500,000.00		1,500,000.00					1,506,540.00	0.88%		0.79%
Term Deposit													
AMP 1.8 10 Mar 2021 553DAY TD	S&P ST A2		5,000,000.00	1.00000000	5,000,000.00	100.000	0.000			5,000,000.00	2.93%	1.80%	
Auswide 1.75 09 Mar 2022 728DAY TD	Moody's Baa2		5,000,000.00	1.00000000	5,000,000.00	100.000	0.000			5,000,000.00	2.93%	1.75%	
BOQ 3.6 03 Mar 2021 1456DAY TD	Moody's ST P-2		4,000,000.00	1.00000000	4,000,000.00	100.000	0.000			4,000,000.00	2.34%	3.60%	
BOQ 0.55 25 Aug 2021 268DAY TD	Moody's ST P-2		6,000,000.00	1.00000000	6,000,000.00	100.000	0.000			6,000,000.00	3.52%	0.55%	
CBA 0.65 28 Apr 2021 209DAY TD	S&P ST A1+		5,000,000.00	1.00000000	5,000,000.00	100.000	0.000			5,000,000.00	2.93%	0.65%	
NAB 0.5 06 Oct 2021 300DAY TD	S&P ST A1+		6,000,000.00	1.00000000	6,000,000.00	100.000	0.000			6,000,000.00	3.52%	0.50%	
NPBS 3.7 03 Mar 2021 1822DAY TD	S&P ST A2		1,000,000.00	1.00000000	1,000,000.00	100.000	0.000			1,000,000.00	0.59%	3.70%	
Westpac 0.62 10 Nov 2021 364DAY TD	S&P ST A1+		7,000,000.00	1.00000000	7,000,000.00	100.000	0.000			7,000,000.00	4.10%	0.62%	
			39,000,000.00		39,000,000.00					39,000,000.00	22.85%		1.28%
Unit Trust													





Fixed Interest Security	Security Rating	ISIN	Face Value Original	Bond Factor	Face Value Current	Capital Price	Accrued Interest Price	Unit Price Notional	Unit Count	Market Value	% Total Value	Running Yield	Weighted Running Yield
NSWTC IM Cash Fund UT	S&P AA+		7,190,113.50		7,190,113.50			0.9345	7,694,487.1347	7,190,113.50	4.21%		
NSWTC Long Term Growth Fund UT	S&P AA+		15,400,559.62		15,400,559.62			1.0691	14,404,758.6500	15,400,559.62	9.02%		
NSWTC Medium Term Growth Fund UT	S&P AA+		11,006,410.27		11,006,410.27			1.0137	10,857,660.3200	11,006,410.27	6.45%		
			33,597,083.39		33,597,083.39					33,597,083.39	19.69%		
Portfolio Total			169,941,006.43		169,941,006.43					170,673,446.93	100.00%		1.05%

Note: For holdings in unit funds and similar securities, the face value (original and current) columns will display market values.



### 3. Portfolio Compliance As At 28 February 2021

Short Term Issuer/Security Rating Group	Market Value	% Total Value
A2	16,865,361.71	9.88%
A1+	18,000,000.00	10.55%
Portfolio Total	34,865,361.71	20.43%

Market Value by Security Rating Group (Short Term)



Long Term Issuer/Security Rating Group	Market Value	% Total Value
BBB+ to BBB-	23,121,493.50	13.55%
A+ to A-	16,280,375.69	9.54%
AA+ to AA-	96,406,216.02	56.40%
Portfolio Total	135,808,085.21	79.57%

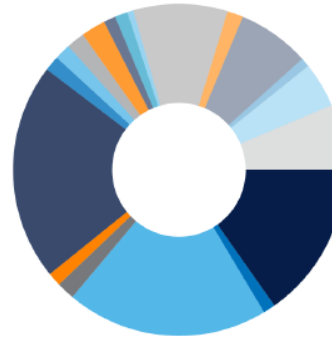
Market Value by Security Rating Group (Long Term)





Issuer	Market Value	% Total Value
AMP Bank Ltd	10,879,061.71	6.37%
Auswide Bank Limited	7,514,925.00	4.40%
Bank of China Limited	1,506,540.00	0.88%
Bank of Queensland Ltd	12,006,640.00	7.03%
Bendigo & Adelaide Bank Ltd	2,657,835.69	1.56%
Commonwealth Bank of Australia Ltd	15,700,530.00	9.20%
Credit Suisse Sydney	1,004,830.00	0.59%
Credit Union Australia Ltd	2,123,323.00	1.24%
Heritage Bank Ltd	2,005,860.00	1.18%
HSBC Sydney Branch	4,045,000.00	2.37%
Macquarie Bank	3,043,920.00	1.78%
Members Banking Group Limited t/as RACQ Bank	2,668,885.50	1.56%
Members Equity Bank Ltd	2,524,200.00	1.48%
National Australia Bank Ltd	36,090,462.64	21.15%
Newcastle Permanent Building Society Ltd	2,270,600.00	1.33%
Northern Territory Treasury Corporation	3,006,780.00	1.76%
NSW Treasury Corporation	33,597,083.38	19.60%
Rabobank Nederland Australia Branch	2,015,610.00	1.18%
Westpac Banking Corporation Ltd	26,011,360.00	15.24%
<b>Portfolio Total</b>	<b>170,673,446.92</b>	<b>100.00%</b>

Market Value by Issuer

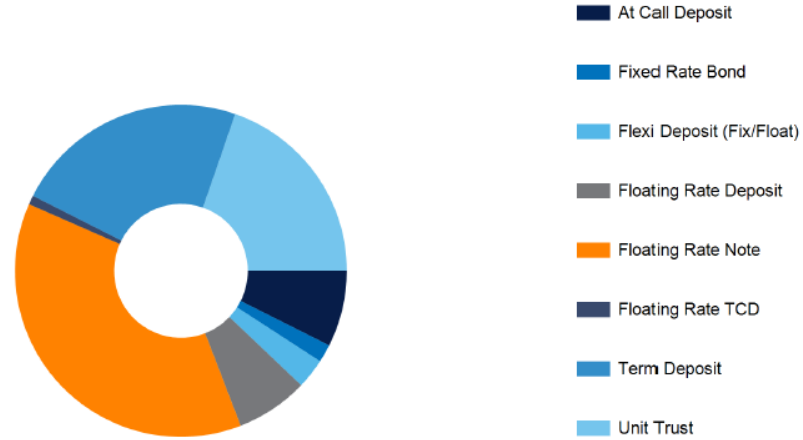


- AMP Bank Ltd
- Auswide Bank Limited
- Bank of China Limited
- Bank of Queensland Ltd
- Bendigo & Adelaide Bank Ltd
- Commonwealth Bank of Australia Ltd
- Credit Suisse Sydney
- Credit Union Australia Ltd
- Heritage Bank Ltd
- HSBC Sydney Branch
- Macquarie Bank
- Members Banking Group Limited t/as RACQ Bank
- Members Equity Bank Ltd
- National Australia Bank Ltd
- Newcastle Permanent Building Society Ltd
- Northern Territory Treasury Corporation
- NSW Treasury Corporation
- Rabobank Nederland Australia Branch
- Westpac Banking Corporation Ltd



Security Type	Market Value	% Total Value
At Call Deposit	12,643,923.04	7.41%
Fixed Rate Bond	3,006,780.00	1.76%
Flexi Deposit (Fix/Float)	5,000,000.00	2.93%
Floating Rate Deposit	12,000,000.00	7.03%
Floating Rate Note	63,919,120.50	37.45%
Floating Rate TCD	1,506,540.00	0.88%
Term Deposit	39,000,000.00	22.85%
Unit Trust	33,597,083.38	19.60%
Portfolio Total	170,673,446.92	100.00%

Market Value by Security Type





Term Remaining	Market Value	% Total Value
0 to < 1 Year	99,321,626.42	58.19%
1 to < 3 Years	45,987,928.50	26.94%
3 to < 5 Years	25,363,892.00	14.88%
Portfolio Total	170,673,446.92	100.00%

Note: Term Remaining is calculated using a weighted average life date (WAL) where appropriate and available otherwise the interim (initial) maturity date is used.

Market Value by Term Remaining



Investment Policy Compliance

Legislative Requirements	Fully compliant
Issuer	Fully compliant (31 limits)
Security Rating Group	Fully compliant (7 limits)
Term Group	Fully compliant (4 limits)



#### 4. Portfolio Statistics For Period Ending 28 February 2021

Trading Book	1 Month	3 Month	12 Month	Since Inception
Queanbeyan-Palerang Regional Council				
Portfolio Return (1)	0.00%	0.16%	1.76%	2.53%
Performance Index (2)	0.00%	0.00%	0.21%	1.07%
Excess Performance (3)	0.00%	0.16%	1.55%	1.46%

Notes

- 1 Portfolio performance is the rate of return of the portfolio over the specified period
- 2 The Performance Index is the Bloomberg AusBond Bank Bill Index (Bloomberg Page BAUBIL)
- 3 Excess performance is the rate of return of the portfolio in excess of the Performance Index

Trading Book	Weighted Average Running Yield
Queanbeyan-Palerang Regional Council	1.05



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Trading Entity: Queanbeyan-Palerang Regional Council  
Trading Book: Queanbeyan-Palerang Regional Council  
Settlement Date Base  
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# QUEANBEYAN-PALERANG REGIONAL COUNCIL

## Council Meeting Attachment

24 MARCH 2021

ITEM 10.1            ADOPTION OF RECOMMENDATIONS - NSW PRODUCTIVITY  
COMMISSION'S REVIEW OF LOCAL INFRASTRUCTURE  
CONTRIBUTIONS

ATTACHMENT 1    RELEVANT RECOMMENDATIONS - FINAL REPORT -  
PRODUCTIVITY COMMISSION'S REVIEW OF  
INFRASTRUCTURE CONTRIBUTIONS IN NEW SOUTH  
WALES

## **2020 - Productivity Commission's Recommendations on Infrastructure Contributions New South Wales**

### **Recommendation 2.1: Enhance efficiency of the infrastructure contributions system**

Implement reform to deliver an efficient infrastructure contributions system so:

- local contributions are cost-reflective charges on impactors, applied through a consistent framework but with flexibility for adaptation to local circumstances
- state contributions are simple and certain charges on impactors and beneficiaries of State service delivery.

### **Recommendation 3.1: Allow councils' general income to increase with population**

Subject to review by the Independent Pricing and Regulatory Tribunal, reform the local government rate peg to allow councils' general income to increase with population.

### **Recommendation 4.1: Develop infrastructure contributions plans upfront as part of the zoning process**

Amend legislation to require:

- where land is being rezoned, the draft infrastructure contributions plan must be publicly exhibited at the same time as the planning proposal
- adoption of the infrastructure contributions plan before any determination is made on a development application.

### **Recommendation 4.2: Introduce a direct land contribution mechanism, to improve both efficiency and certainty for funding land acquisition**

- i. Amend legislation to introduce a direct land contribution mechanism to:
  - apply a statutory charge on the land at the time of rezoning that requires a land contribution be made
  - require the contribution on sale of the land, or subdivision development application, whichever comes first
  - allow the contribution to be satisfied as a monetary payment, or dedication of land.
- ii. Consult with key stakeholders from councils and industry in the design and implementation of a direct land contribution mechanism.

### **Recommendation 4.3: Issue advice for land valuation to improve consistency and accuracy**

Develop a practice note, in consultation with the Valuer General, to guide land valuation, including assumptions and methodology, particularly for land that is yet to be rezoned and may be constrained.

### **Recommendation 4.4: Index land contribution amounts to changing land values**

- i. The Valuer General prepare a methodology and publish appropriate land value indices.
- ii. Amend legislation to require new contributions plans to separately identify and escalate land contribution amounts by the appropriate index.
- iii. The Minister to direct councils to separately identify and escalate land contribution amounts by the appropriate index when reviewing contributions plans.

**Recommendation 4.5: Contributions plans use benchmarked costs**

Independent Pricing and Regulatory Tribunal to develop and maintain standardised benchmark costs for local infrastructure that reflect the efficient cost of provision.

**Recommendation 4.6: Contributions plans reflect development-contingent costs only**

- i. Apply the essential works list to all section 7.11 contributions plans.
- ii. Independent Pricing and Regulatory Tribunal to review the essential works list and provide advice on the approach to considering efficient infrastructure design and application of nexus.
- iii. Subject to review by the Independent Pricing and Regulatory Tribunal, issue a revised practice note.

**Recommendation 4.7: Independent Pricing and Regulatory Tribunal review of contributions plans be 'by exception' and based on efficient costs**

- i. Remove the monetary trigger for review of contributions plans by the Independent Pricing and Regulatory Tribunal.
- ii. Develop Terms of Reference for the Independent Pricing and Regulatory Tribunal to review any costs in a section 7.11 contributions plan on a 'by exception' basis with the option of a 'targeted' review of specific sections of a plan.
- iii. Prepare a practice note to reflect the 'by exception' review process and requirements for local contributions plans.

**Recommendation 4.8: Contributions plans are prepared using standard online templates and digital tools**

- i. Develop standard online contributions plan templates for section 7.11 local contributions and section 7.12 fixed levies.
- ii. Amend legislation to require new contributions plans be made using standard templates and housed within the contributions digital tool to be developed on the NSW Planning Portal.
- iii. Require contributions plans transition to the digital tool upon review.

**Recommendation 4.9: Encourage councils to forward fund infrastructure, through borrowing and pooling of funds**

- i. Amend legislation to allow:
  - pooling of contributions funds as the default option
  - interest costs associated with borrowing for infrastructure be collected through contributions plans.
- ii. Incentivise councils to borrow to forward fund infrastructure, including by:
  - Treasury Corporation reviewing their lending criteria to consider allowing capital grants and contributions (including infrastructure contributions) to be included in debt serviceability calculations where contributions relate specifically to the project for which council is seeking funding
  - establishing a program to provide an additional financial incentive when councils borrow to build infrastructure.

**Recommendation 4.10: Defer payment of contributions to the occupation certificate stage**

- i. Extend permanently the Environmental Planning and Assessment (Local Infrastructure Contributions – Timing of Payments) Direction 2020 that was introduced as a temporary measure in response to the COVID-19 pandemic.
- ii. Design the NSW Planning Portal so that the release of occupation certificates is contingent upon payment of infrastructure contributions.
- iii. Increase oversight of private certifiers by requiring that the certifying authority must confirm payment of contributions before issuing an occupation certificate.
- iv. Amend legislation to create an offence should certifiers issue a certificate without an infrastructure contribution payment.

**Recommendation 4.11: Increase the maximum rate for section 7.12 fixed development consent levies**

- i. Amend the maximum rate for section 7.12 contributions as follows:
  - \$10 000 per additional dwelling for houses (detached, semi-detached, townhouses)
  - \$8 000 per additional dwelling for all other residential accommodation
  - \$35 per square metre of additional gross floor area for commercial uses
  - \$25 per square metre of additional gross floor area for retail uses
  - \$13 per square metre of additional gross floor area for industrial uses.
- ii. Index contribution rates quarterly using the Producer Price Index (Road and Bridge Construction – NSW) and review periodically (approximately every three to five years) to ensure they remain in line with the intended proportion of development costs.

**Recommendation 4.12: Planning agreements consistent with the principles-based approach**

- i. Adopt the Draft Planning Agreements Practice Note 2020 and EP&A Regulation amendments exhibited by the Department in April 2020 to provide immediate improvements to the operation of planning agreements.
- ii. Amend the practice note to embed the principles of the contributions system, so that planning agreements are:
  - for the delivery of infrastructure to support development that is out-of-sequence or unexpected
  - to facilitate the direct delivery of development-contingent infrastructure or impact mitigation works.
- iii. Amend the legislation to require planning authorities to:
  - register planning agreements and draft planning agreements in a centralised system, contained within the NSW Planning Portal
  - 'publicly exhibit' rather than 'publicly notify' planning agreements, including requirements to receive and consider public submissions.

**Recommendation 4.13: Publish guidelines for planning agreements for mining and energy related projects consistent with the principles-based approach**

Publish a guideline for mining and energy related projects consistent with the principles-based approach, so that planning agreements primarily relate to direct delivery of development-contingent infrastructure.

**Recommendation 6.1: Develop and implement a centralised contributions digital tool**

- i. Develop a contributions digital tool in the NSW Planning Portal, integrated with the spatial mapping and development application system, which:
  - requires councils and the State to make contributions plans
  - receive and track payments
  - report on contributions spending, fulfill accounting requirements, and report on the infrastructure delivery pipeline
  - allows landowners and developers to estimate, calculate, and pay their infrastructure contributions for both local and state infrastructure in one place, ideally in one payment.
- ii. Amend legislation to support the digital tools and require their use to be phased in.

**Recommendation 6.3: Build the capability and expertise of the planning sector**

- i. Create and maintain consolidated guidance material for each contribution mechanism that reflects up-to-date information and integrates with the digital tool.
- ii. Implement a training and professional development program to support planning practitioners and build a knowledge sharing culture within the planning system.

**Recommendation 6.4: Introduce a simple, clear, standardised exemptions policy**

Produce a simple, clear, standardised exemptions policy, underpinned by guiding principles, to ensure a consistent and transparent application of exemptions.

**Recommendation 6.5: Better synchronise State and local strategic planning frameworks**

- i. Amend legislation to update the review timeframes of Local Strategic Planning Statements to five years, in line with other State and regional plans.
- ii. Issue a Ministerial direction extending the regional implementation plan timeframe to cover a 4-year period to align with councils' delivery program.

**Recommendation 6.6: Incorporate the local infrastructure contributions system into the Integrated Planning and Reporting framework**

Update the Integrated Planning and Reporting Framework to require councils to:

- include infrastructure contribution plans in their reporting
- review their infrastructure contributions plans by 1 July 2024, and every four years thereafter (or earlier if required), to align with their delivery program.

**Recommendation 6.7: Strategic planning to maximise the efficient use of land**

- i. Issue a Ministerial Direction to require planning proposals to demonstrate consideration of efficient use of land, including opportunities for dual-use and joint-use.
- ii. Develop a practice note to establish performance-based benchmarks for open space planning.