

Attachment F

**Correspondence to City of Sydney from
Department of Planning Industry and
Environment - January 2020**



Ms Monica Barone
Chief Executive Officer
City of Sydney Council
GPO Box 1591
SYDNEY NSW 2001

Attention: Mr Graham Jahn, Mr Benjamin Pechey

Dear Ms ^{Monica} Barone

I am pleased that the Minister for Planning and Public Spaces and the Lord Mayor of Sydney have come to an in-principle agreement to progress the Central Sydney Planning Strategy and planning proposal. This demonstrates a high commitment of both Council and the Department in making Central Sydney a great place.

A key component of the agreement to progress the Planning Strategy and supporting planning proposal was an agreement from both the Minister and the Lord Mayor to the preparation of a new development contributions plan under section 7.12 of the *Environmental Planning and Assessment Act 1979* for Central Sydney. The new contributions plan would allow the City to levy a 3% contribution based on the cost of construction for new development to be used to help fund the delivery of public infrastructure, including public domain infrastructure that encourages investment for employment generating uses as sought by Council's strategy.

The proposed 3% development contribution is acknowledged to be the most appropriate and transparent means of ensuring new development in the City contributed to and supported investment in public spaces, such as the pedestrianisation of George Street. It was on this basis that the Minister has identified in-principle support for an amendment to the *Environmental Planning and Assessment Regulation 2000* (the Regulation) to enable the development Contributions Plan to be given legal effect.

The Department understands in light of the agreement, the City has undertaken considerable work to progress a draft Contributions Plan to enable concurrent exhibition with the draft Strategy and planning proposal. The Department supports this approach as it will ensure a comprehensive package of planning controls is presented to the community on the future of Central Sydney.

Once Council has completed its exhibition of the draft Contributions Plan the Department will prepare a Regulation amendment for the Minister's consideration to give effect to the Contributions Plan. Council can assist in this process by providing the Department with the information below:

- A copy of the finalised Contributions Plan, including Council's endorsed schedule of works (as per Clause 27 of the Regulation). Cost estimates for the proposed items of infrastructure should also be included in the Section 7.12 contributions plan;

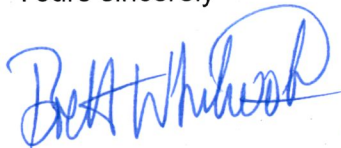
- a financial analysis to demonstrate how the forecast revenue to be achieved by moving from a 1% levy (as currently charged) to a 3% levy can assist to bring forward the delivery of infrastructure; and
- provide an economic analysis to ensure development remains economically feasible with the introduction of the proposed levy and the foreshadowed expansion of affordable housing contribution to Central Sydney.

While Council can adopt the section 7.12 Contributions Plan following exhibition and consideration of submissions, it will not be able to impose a condition on a development consent with a rate greater than 1% until the Regulation is amended. The Department is committed to working with the City to ensure the Regulation amendment can be finalised at the time of, or just after, the making of the planning instrument for Council's proposal.

The Department looks forward to working with Council further on this important matter.

If you have any more questions, please don't hesitate to contact Ms Emma Hitchens, Acting Director, Eastern District (City of Sydney), at the Department of Planning, Industry and Environment on 9274 6434.

Yours sincerely



30 January 2020

Mr Brett Whitworth
Deputy Secretary
Greater Sydney, Place and Infrastructure