Attachment E

Draft Central Sydney Development Contributions Plan

Draft Central Sydney Development Contributions Plan

February 2020

CITY OF SYDNEY

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Summary

Growth requires infrastructure

In the 6 years from 2020-2025 (inclusive) Central Sydney is forecast to grow by:

- almost 5,550 dwellings
- over 11,800 residents; and
- almost 29,000 workers

This growing population will require additional or improved infrastructure to keep Central Sydney attractive, efficient and appealing for our existing community and to continue attracting jobs, visitors and investment.

This plan enables the City to levy a contribution on new development to generate approximately $261M in contributions towards infrastructure in Central Sydney to 2025. It is appropriate that new development contribute its fair share towards the cost of new and improved infrastructure from which it will benefit.

Levy rate under this Plan

To fund new infrastructure through contributions, this Plan applies a 3% levy on the cost of new development with a development cost of $200,000 or more, as permitted under clause 25K the Environmental Planning & Assessment Regulation 2000.

Facilities funded by this Plan levy

This Plan funds a variety of infrastructure, services and amenities including:

- Open space – such as children's playgrounds, and upgrades to Hyde Park and Belmore Park;
- Public Domain improvements – such as George Street public domain enhancements associated with the Light Rail, laneway improvements and public toilets;
- Community Facilities – such as Prince Alfred Park pool, the community creative hub and new Darling Square library fitout; and
- Roads, Traffic and Transport facilities – such as city centre cycleways, street upgrades and pedestrian crossings.

These works are programmed for delivery in the timeframes described in the schedule of works at Appendix B to this Plan.

Development affected by this Plan

This Plan applies to development that:

- is located within Central Sydney, as shown in Figure 1 of this Plan,
- needs consent (including complying development);
- has a development cost of $200,000 or more; and
- is not excluded under Section 2.2 of this Plan.

If approval is granted to a development subject to this Plan, a condition of consent will be imposed requiring the applicant to pay a monetary contribution ('the levy'), towards the cost of local infrastructure. This levy is calculated at 3% of the development cost. The Plan provides information on how to calculate the development cost and what development may be excluded.

Life of this Plan

This Plan will operate until all of the contributions for works projects listed in Appendix B of this Plan have been collected from relevant development approvals, or, the time the Plan is repealed by the Council, whichever occurs first.

Levy rate under this Plan

Applicant estimates the development cost – before obtaining a Construction Certificate (CC) or Complying Development Certificate (CDC), the applicant provides information to the City about the development cost in accordance with requirements in this Plan together with copies of CC or CDC plans and any exemptions sought.

The City determines the development cost, any exemptions, and the levy – the City reviews the information provided by the applicant and issues the applicant with a letter confirming the correct levy amount payable.

Applicant pays the levy – the applicant pays the levy to the City and obtains a receipt. If the applicant does not pay the levy within 3 months from the date the City calculates the Levy, the applicant must provide an updated cost of works to the City, which will be used by the City to recalculate the levy.

Applicant provides payment receipt to certifier – the applicant provides the accredited certifier (the City or a private certifier) with the City's letter and levy payment receipt to obtain a Construction Certificate or secure the release of a Complying Development Certificate.

Applicants may also offer works-in-kind, dedication of land or a material public benefit as an alternative to a monetary payment. Council has sole discretion on whether these alternatives are accepted.

Further information

Further information on development contributions is also available on the development contributions section of the City's website at www.cityofsydney.nsw.gov.au.

Cyclists riding along the CBD cycleways

Background

1.1 Name of this Plan

This plan is called the Central Sydney Development Contributions Plan 2020 (or 'this Plan').

1.2 Legislation enabling this Plan

The Plan has been prepared in accordance with Section 7.18 of the Environmental Planning & Assessment Act 1979 (EP&A Act).

Under this Plan, if a consent authority imposes a condition of consent upon development requiring a contribution under Section 7.12 of the EP&A Act, the consent authority cannot impose a condition of consent on the same development requiring a contribution under Section 7.11 of the EP&A Act.

1.3 Purpose of this Plan

The purpose of this Plan is to enable the City to apply a levy upon development to be applied towards public amenities and public services to meet the needs of the growing residential, workforce and visitor population within Central Sydney.

The Plan will assist in achieving the objectives and directions of key City of Sydney and New South Wales Government planning strategies including:

- the Greater Sydney Commission's *A Metropolis of Three Cities – the Greater Sydney Region Plan*;
- the Greater Sydney Commission's *Eastern City District Plan;*
- the City's *Sustainable Sydney 2030 and Sustainable Sydney 2050 (draft); and*
- the City's *Local Strategic Planning Statement (draft)*.

The population growth generating demand for enhanced public amenities and public services over the life of this Plan is outlined in Appendix A, while the Schedule of Works in Appendix B identifies the public amenities and public services to be funded or recouped by the City using the levy. Appendix C provides a dictionary of terms used in this Plan.

1.4 The land where this Plan applies

This Plan applies to Central Sydney, being the land shown in Figure 1.

1.5 Relationship between the expected types of development in the area to which the Plan applies and the demand for additional public amenities and services related to that development

This relationship is described at Appendix A: Basis for the levy and the Strategic Framework.

1.6 The percentage of the Section 7.12 levy and quarterly updating or indexing of the proposed cost of development

The percentage of the Section 7.12 levy is 3% of the Development Cost.

The process for quarterly updating or indexing the cost of development is described in clause 2.4 of this Plan.

MILLERS POINT
THE ROCKS
BARANGAROO
Bridge St
Margaret St
Macquarie St
Botanic Gardens
Garden Island
The Domain
SYDNEY
George St
Market St
Hyde Park
College St
WOOLLOOMOOLOO
Macleay St
POTTS POINT
Darling Harbour
Bathurst St
William St
Pyrmont St
DARLINGHURST
Darlinghurst Rd
Goulburn St
Riley St
Boundary St
ULTIMO
Belmore Park
Campbell St
Flinders St
Mary St
Crown St
Oxford St
CHIPPENDALE
Prince Alfred Park
Chalmers St
SURRY HILLS
Anzac Pde
Moore Park
REDFERN
FOX
Figure 1: Land to which this Plan applies
Land to which this plan applies
0
250
500m
NORTH

1.7 Payment of section 7.12 levies and deferred or periodic payment of levies

Clause 2.4 of this Plan describes the requirements for the payment of levies under this Plan and the conditions that allow deferred or periodic payment of the levy.

1.8 Map showing the specific public amenities and services proposed to be provided by the City

A map showing the specific public amenities and services proposed to be funded in part or whole through contributions under this Plan, supported by a works schedule that contains an estimate of their cost and staging of delivery is shown at Appendix B to this Plan.

1.9 Pooling of levy payments

To assist in the delivery of works items in the Plan, the City may pool levy payments and apply the pooled levy funds to selected projects in the Schedule of Works. The City is satisfied that the pooling and progressive application of the money paid will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.

1.10 Complying development

This Plan makes provision for the imposition of conditions of consent under Section 7.12 of the EPA Act in relation to the issue of complying development certificates. The payment of monetary Section 7.12 levies in accordance with those conditions is to be made before commencement of any building work or subdivision work authorised by the complying development certificate.

1.11 Commencement date for operation of this Plan

This Plan was adopted by Council on…INSERT DATE…and clause 25K of the Environmental and Assessment Act was amended by the Minister for Planning on….INSERT DATE. This plan commenced d operation on…INSERT DATE.

1.12 Transitional arrangements for existing development consents and applications

This section of the Plan describes the arrangements for development applications, consents and complying development which existed before the commencement of this Plan.

This Plan replaces and repeals the *Central Sydney Contributions Plan 2013* ('the 2013 Predecessor Plan') from the date of commencement of this Plan, which occurred on insert commencement date. This Plan does not affect any conditions of consent referring to the 2013 Predecessor Plan or any earlier Plans.

Any monies that were paid and required to be paid under the 2013 Predecessor Plan may be pooled with contributions under the Plan and applied to the Schedule of Works to the Plan.

This Plan applies to any applications, modifications, reviews or appeals for consent made on or after the date of commencement of this Plan. This includes an application under Section 4.12, a review under Section 8.2, a modification under Section 4.56 and Section 4.57, or an appeal under Section 8.7, Section 8.23 of the EP&A Act.

This Plan does not apply to any applications, modifications, reviews or appeals for consent made before the date of commencement of this Plan. This includes an application for consent under Section 4.12, review under Section 8.2, modification under Section 4.55, Section 4.56 and Section 4.57 or appeal under Section 8.7, Section 8.23 of the EP&A Act. For those proposals, the relevant contributions plan operating at the date the application was made applies. This includes applications where consent has been granted that includes a condition requiring the applicant to pay a development contribution under another development contributions plan but the applicant is yet to pay the contribution.

1.13 Life of this Plan, accountability, review and status of elements

a) Life of this Plan

This Plan operates until all of the contributions for works projects listed in Appendix B of this Plan have been collected from relevant development approvals, or the time the Plan is repealed by the Council, whichever occurs first.

b) Accountability

The City is accountable for the administration of this Plan in the following ways:

- maintaining public access to a contributions register and a planning agreements register;
- maintaining public access to accounting records for levy receipts and expenditure;
- annual financial reporting of contributions;
- maintaining public access to this Plan and supporting information; and
- periodically reviewing this Plan and seeking public input as part of the review.

c) Review of this Plan

The City will review this Plan 5 years from its commencement, to ensure the Plan addresses community needs, contemporary strategic planning directions and priorities, integrated community facilities planning, the City's capital works program and legislative requirements.

d) Status of selected Plan elements

The appendices to the Plan form part of the Plan.

The Summary in this Plan is provided for guidance and does not form part of the Plan.

City centre public art in laneways, Angel Place

George Street Public Domain upgarde, Sydney

How to use this plan

2.1 Calculating the levy

The levy under this Plan is calculated at 3% of the development cost.

Levy payable = 3% x Development Cost with a value at or above $200K

Examples:

- A new development has a cost of $5.3M. The levy payable will be 3% x $5.3M = $159,000
- A new development has a cost of $300K. The levy payable will be 3% x $300K = $9,000

Development covered by this Plan and information about determining the development cost is provided in Sections 2.2 and 2.3 below.

2.2 Development subject to the levy

This Plan applies to any development that:

- is located within Central Sydney (see Figure 1);
- needs development consent, including complying development;
- has a development cost of $200,000 or more; and
- is not excluded in accordance with subsections 2.2(b) or 2.3 (a) below.

a) Complying development

This Plan applies to complying development. The accredited certifier, including any private certifier, is responsible for ensuring that the condition requiring payment of the levy has been satisfied prior to releasing the Complying Development Certificate.

The levy must be paid before the commencement of any building work or subdivision work authorised by the certificate.

b) Development excluded from the levy

Development excluded from the need to pay a contribution is listed in the following table. Applicants should describe how their development is consistent with the relevant exclusion in their development application. If the City is satisfied the development is consistent with the relevant exclusion, it will exclude the development from the need to pay a contribution.

For complying development, the city must first verify any exclusions in writing, following submission of relevant details on the nature of the proposal

Where the proposal includes a range of works or a mix of land uses, only the works or uses excluded under this Plan will be excluded from the need to pay a contribution. All other works and uses are to be levied with development contributions in accordance with this Plan. A development application seeking a partial exclusion must identify the spaces, works and costs relevant to the land use said to be the subject of the exclusion.

Development excluded from the need to pay a contribution
1. Places of public worship provided by or on behalf of a charity or not for profit organisation*
2. Emergency services facilities (fire stations, police stations and ambulance stations)
3. Development excluded from contributions by a Ministerial Direction under section 7.17 of the EP&A Act
4. Government schools (established under the *Education Act 1990* by the Minister for Education)
5. Affordable housing* or social housing* – development for the sole purpose of providing affordable housing or social housing by a social housing provider
6. City of Sydney development – development undertaken by or on behalf of the City of Sydney. Notes: (a) this is limited to those works costs associated with delivering only the City-owned asset, not any costs associated with a wider structure or space; and (b) works costs undertaken by tenants of City-leased buildings are subject to contributions
7 Development listed in Appendix B to this Plan

Notes

* Definitions of terms described in his table are outlined in the Dictionary at Appendix C.

c) State significant development and Critical state significant infrastructure development and contributions

The Plan applies to State significant development. For Critical state significant infrastructure (CSSI) development, the City will assess the public services and public amenities needs of any ancillary land uses or works not directly associated with the operation of the CSSI (e.g. retail or commercial uses), in providing advice to the Department of Planning Industry and Environment regarding the levying of contributions. Clause 25J of the EP&A Regulation provides further guidance on the determination of development cost for the purpose of calculating contributions under section 7.12 contributions plans.

2.3 Determining the development cost

The applicant must provide the City with information on the proposed Development Cost prior to the City issuing written Statement of Contributions Owing. The City will review the development costs submitted and if considered necessary, carry out independent cost verification. The City will issue the applicant with a letter confirming the levy amount payable for the proposed development. This requirement also applies to complying development and any modification application (where relevant).

a) Items to include or exclude from the development cost

The proposed development cost generally includes:

- any costs and expenses associated with carrying out the proposed development; and
- any costs and expenses incurred that are necessary to make the site, building, or premise suitable for its intended use.

When determining the development cost, a project is considered in its entirety, irrespective of whether an individual component or components may not require development consent. Examples of items to include and exclude in the development cost are listed in the following tables.

If an applicant seeks an exclusion for any of the works listed in Section 2.2(b) of this Plan, the applicant should still include the cost of the item in the development cost. This is to permit the City to determine the appropriate value of the exclusion if made, or, if the City does not exclude the works from the levy, to include the development cost without the need to request a further cost estimate from the applicant.

Examples of items to include in the development cost
1. Preliminaries, e.g. scaffolding, hoarding, fencing, site sheds, delivery of materials, waste management
2. Internal fit out, e.g. flooring, wall finishing, fittings, fixtures, bathrooms and equipment
3. Demolition works including cost of removal from the site and disposal
4. Professional fees as part of the design e.g. architects and consultant fees
5. Site preparation, e.g. clearing vegetation, decontamination or remediation
6. Excavation or dredging including shoring, tanking, filling and waterproofing
7. Internal services, e.g. plumbing, electrics, air conditioning, mechanical, fire protection, plant, lifts
8. External services, e.g. gas, telecommunications, water, sewerage, drains, electricity to mains
9. Building construction and engineering, e.g. concrete, brickwork, plastering, steelwork / metal works, carpentry / joinery, windows and doors, roofing
10. Other structures, e.g. landscaping, retaining walls, driveways, parking, boating facilities, loading area, pools
11. GST Charges
12. Other related work including any other items not expressly excluded below
13. If the development involves a change of use of land – the costs of or incidental to doing anything necessary to enable use of the land to be changed
14. If the development involves the subdivision of land – the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights

Items to exclude from the development cost - (clause 25J(3) of the EP&A Regulation)
1. The cost of land on which the development is to be carried out
2. The costs of any repairs to any building or works on the land that are to be retained in connection with the development
3. The costs associated with marketing or financing the development (including interest on any loans)
4. The costs associated with legal work carried out or to be carried out in connection with the development
5. Project management costs associated with the development
6. The cost of building insurance in respect of the development
7. The costs of fittings and furnishings, including any refitting or refurbishing, associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land) Note: In applying this provision, the City, through its regular Floor Space Employment Survey, has evidence confirming that the refurbishment of non-residential floor space generally results in intensification of current land uses and hence increased demand for infrastructure. On this basis, the costs of fittings and furnishings, including any refitting or refurbishing should be included in the total development cost used for calculation of the levy and in assessing each application, the City will consider any information the applicant provides on this issue.
8. The costs of commercial stock inventory
9. Any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law
10. The costs of enabling access by disabled persons in respect of the development
11. The cost of any development that is provided as affordable housing
12. The costs of any development that is adaptive reuse of a heritage item

Chinatown, Thomas Street, Haymarket

b) What information must applicants provide?

Applicants must provide the City with the following information to assist it determine the development cost and contributions levy:

- Development Cost – information about the development cost as outlined below; and
- Plans – copies of plans accompanying the construction certificate /subdivision works certificate, complying development certificate application

In providing information on the development cost, there are two levels of information provision depending on the cost of the proposed development:

- Between $150,000 and $3,000,000 – a suitably qualified person such as the Project Architect or Project Manager must provide a completed City of Sydney *Cost Summary Report*; or
- More than $3,000,000 – a Quantity Surveyor registered with the Australian Institute of Quantity Surveyors or a person who can demonstrate an equivalent qualification must provide a completed City of Sydney *Registered Quantity Surveyor's Detailed Cost Report*.

Electronic copies of the *Cost Summary Report* and *Registered Quantity Surveyor's Detailed Cost Report* are available from the City's website at www.cityofsydney.nsw.gov.au. The City may seek the services of an independent qualified person to assist with determining the development cost.

2.4 Paying the levy

a) When is the levy payable?

In cases where a Construction Certificate or Subdivision Works Certificate is required, the levy must be paid prior to the issue of those Certificates.

In cases where a Complying Development Certificate is required, the levy must be paid before the commencement of any building work or subdivision work authorised by the certificate.

In any other situation, the levy must be paid before the commencement of that use or activity.

The levy is to be paid within 3 months from the date that the City issues the applicant with a written Statement of Contributions Owing. The applicant must make an application to the City for a written Statement of Contributions Owing prior to the payment of the levy.

b) How will the levy be adjusted?

If the levy is not paid within three months from the date that the City issues the application with a written Statement of Contributions Owing, then the applicant must provide the City with a revised Development Cost for the works. The City will then provide the applicant with a revised Statement of Contributions Owing.

The Development Cost for the works may, at the City's discretion as an alternative to submission of revised Development Cost, be adjusted to reflect the quarterly variations issued by the Australian Bureau of Statistics Consumer Price Index (CPI), between the date from when the Statement of Contributions Owing was issued to the date when the revised Statement of Contributions Owing was issued:

c) Payment methods

Once an applicant receives the City's written Statement of Contributions Owing, applicants should pay the levy to the City by EFTPOS (debit card only), cash or a bank cheque made payable to the City of Sydney. When paying the levy, applicants must include the City's written advice confirming the levy amount payable. The City will then provide a receipt which the applicant must use to obtain a construction certificate or release a complying development certificate.

d) Deferred payment

An applicant for non-residential development that has a Development Cost of $50 million or more may apply to the City in writing – through an application under Section4.55 or 4.56 of the EP&A Act - to defer payment of up to 50 % of the levy from the first construction certificate/subdivision works certificate until prior to the issue of an occupation certificate.

Non-residential development includes:

- commercial development – such as retail and office space; or
- tourist accommodation – including serviced apartments, motels and hotels; or
- community facilities and amenities – such as theatres, and cinemas.

If the City allows a payment to be deferred, the deferred payment must be secured by an unconditional Performance Bond (such as a Bank Guarantee or Insurance Bond), issued by institutions regulated by APRA, and which complies with the City's Performance Bonds Policy and is unlimited in time for the value of the deferred payment. The applicant must provide the Performance Bond to the City prior to obtaining a construction certificate or release of a complying development certificate.

The deferred amount will be indexed quarterly for inflation from the date the Statement of Contributions Owing was issued and in accordance with movements in the Consumer Price Index (All Groups Index) for Sydney, issued by the Australian Bureau of Statistics. The applicant should obtain the City's written advice regarding the indexation amount immediately prior to making a deferred payment.

Notwithstanding the value of the Performance Bond, any modification to the development made under Section 4.55 or 4.56 of the EP&A Act may result in changes to the value of the levy. If the levy is greater because of the modification, the Performance Bond must be replaced to reflect the revised value. A supplementary Performance Bond for the additional amount will not be accepted. The City will release the Performance Bond held upon acceptable submission of the replacement. The applicant shall meet all the costs of preparing any Performance Bond and their replacements.

Where an applicant offers to provide Works-In-Kind, dedicate land or provide other Material Public Benefits through a planning agreement in accordance with Section 2.5 of this Plan, any provisions in the Planning Agreement relating to the provision of guarantees and timing for the provision of works-in-kind, Material Public Benefits or monetary payments prevail over the provisions in this subsection.

e) Payment by instalment/periodic payments

Requests for payment by multiple instalments will not be granted.

f) Payment for concept development applications

The City will accept payment of the levy in stages only where the development carried out is a concept development application as defined in the EP&A Act. The City will not consider a request to defer payment of the levy on a concept development.

g) Refunds

Councils are not obligated under legislation to refund a development contributions payment. Refunds are at the City's discretion. Nevertheless, Council may consider refunding a development contribution payment in the following circumstances:

- If a development is modified by virtue of Section 4.17(5) or Section 4.63 of the EP&A Act or an application is modified under Section 4.55, the levy will be based on the development cost of the modified development.
- If a development is modified and the levy increases but the applicant has previously paid the levy, credit will be given for the previous levy payment with only the difference needing to be paid. If the levy decreases, the applicant may apply for a refund for the difference, subject to the requirements for refunds described in this subsection of the Plan.
- The applicant has not commenced the development and decides not to proceed with the consent (i.e. a development consent or complying development certificate), including cases where the consent has lapsed. In this case, the applicant will need to surrender the development consent or complying development certificate to the City in accordance with Section 4.63 of the EP&A Act.
- The extent of works and associated cost of works is reduced under a complying development certificate. In this instance a new complying development certificate, limited to the revised works area and cost must be issued and the previous complying development certificate must be cancelled/surrendered and the City be notified of the cancellation and the City's records amended.

Refunds will only be considered where:

- the development to which consent has been granted has not commenced; and
- the applicant surrenders the development consent, or the complying development certificate to the City in the same financial year as the levy was paid.

The City commits levy payments received to Schedule of Works items (Appendix B) at the end of each financial year. An applicant seeking a refund on a surrendered consent must apply in writing to the City. The City will not refund a levy payment if the levy payment has been committed to works under recoupment or to Schedule of Works in this Plan.

Material to be submitted with refund applications

The following material must be submitted with any application for refund of contribution payments:

- Written request for a refund, including the basis of the request; and
- A receipt relating to the contributions payment made; and
- Where a development is not proceeding, a notice of voluntary surrender of the consent (see Sections 4.63 of the EP&A Act) addressing matters in clause 97(3) of the EP&A Regulation; and
- Payment details to permit electronic funds transfer if approved by the City, namely
  - The name of the payee (Note: Payment is made to the person/company indicated on the original contributions payment receipt);
  - Account name;
  - Bank name;
  - BSB number; and
  - Account number.

2.5 Alternatives to the levy

a) Works-In-Kind, land dedication and Material Public Benefits

The City prefers that any levy under this Plan be settled through cash payment. By exception, the City may consider an offer by an applicant to provide either Works-In-Kind (WIK), dedication of land, or a material public benefit (see definitions in Appendix C) as an alternative to payment of a levy by cash under this Plan, either in part or in full. The City may accept any such offer but is not obliged to do so. Where an applicant intends to offer Works-In-Kind, dedication of land or a material public benefit, the applicant should discuss the likely acceptability of the offer with the City before lodging the development application. Any offer must be accompanied by a detailed scope of works, design, cost summary, and timing for delivery.

b) Planning Agreements

Any offer by an applicant to provide Works-In-Kind, dedication of land or a Material Public Benefit must be formalised through a planning agreement prepared in accordance with the EP&A Act. The draft planning agreement must be publicly exhibited, preferably as part of the development application exhibition. The City's Planning Agreement Guidelines are available here: Planning Agreement Guidelines or on the City's website. Further information regarding works-in-kind, dedication of land, material public benefits and planning agreements is contained in the Department of Planning, Industry and Environment's (2005) *Development Contributions Practice Note* available at www.planning.nsw.gov.au.

The Exchange, Darling Square Library, Haymarket

Appendix A Basis for the levy and the Strategic Framework

This Plan enables the City to levy new development to contribute to the cost of new, extended or augmented public facilities, amenities and services in Central Sydney to support the growth and development of Central Sydney.

Central Sydney is a primary focus for economic activity within the City of Sydney, greater metropolitan Sydney, and New South Wales and substantial growth in employment, services and housing in Central Sydney is expected. New residents, workers and visitors to Central Sydney will have inadequate levels of service if the City does not provide new or improved public amenities and infrastructure. The levels of service for the existing residential population and workforce will also decline without adequate public investment.

The City has already spent or will be investing approximately $657M in Central Sydney over the life of the plan for new and improved public facilities, amenities and services to ensure that adequate service levels are maintained and improved. As new development will be a key beneficiary of this investment, it is reasonable that some of the costs of this investment are recouped through payment of the levy under this Plan. Additional finance for the Schedule of Works in this Plan will also come from Council's general fund.

Information about forecast population growth, floor space demand and strategic planning initiatives is provided in the subsections below.

A.1 Population growth

This Plan is expected to apply for at least 6 years between the period 2020 and 2025, inclusive. Significant resident and worker population growth is expected in Central Sydney over this period and across the next 15 years. The Eastern City District Plan – the metropolitan Sydney planning framework within which this Plan sits, also assumes considerable growth for the City of Sydney, as described further below.

This Plan's forecasts for Central Sydney apply to the Census villages/precincts of:

- CBD and Harbour;
- Chinatown CBD South;
- 15% of the area of Crown Street-Baptist Street and Oxford St villages – based on the extent of those villages within Central Sydney; and
- none of the Redfern St precinct (as that portion of it within Central Sydney has been largely occupied by the Central Park development, and Regent Street is effectively fully developed).

Resident and dwelling growth

The City's official source of residential population growth forecasts by *i.d. Consulting*, suggests that in the next 15 years, the period 2020-2025 (inclusive) is likely to see the most intense period of residential growth. This expectation is based on the greater availability of development sites during this period, resulting in an estimated 5,496 "total additional dwellings" (comprising private and non-private dwellings) accommodating a forecast further 11,836

residents. Over the longer term, almost 9,000 dwellings and about 17,000 dwellings are forecast between 2021 and 2036.

Worker growth

For the purpose of worker growth projection in this Plan, the New South Wales Government's Bureau of Transport Statistics Travel Zone (BTS Travel Zone) projections are applied. The BTS Travel Zone projections have been reconciled to the Central Sydney village area boundaries described above. This material has been applied to calculate growth forecasts for 2020-25 based on the following methodology:

- 1 years average growth projected within the 2016-20 period (@ 6,090 jobs per year); plus
- 5 years growth within the 2021-26 period (@ 4,548 jobs per year).

The BTS Travel Zone forecast of 28,830 additional workers from 2020-2025 (inclusive). Over the longer term, almost 80,000 additional workers are forecast between 2021 and 2036.

Central Sydney Growth Projections 2020-2025

Growth	Projected growth 2020-25		
Predictor source	**Dwellings**	**Residents**	**Jobs**
i.d. Consulting Forecast Feb 2019	5,496 dwellings	11,836 residents	NA
Bureau of Transport Statistics Travel Zone projections April 2019	NA	NA	28,830 workers

A.2 Projected Plan contributions income

Approximately $261M in development contributions are expected to be collected under this Plan over the 6 years from 2020-2025 (inclusive). This forecast is based on the average annual income over the previous 10 years with a 1% levy under s61 of the City of Sydney Act (approx. $14.5M per year). Final Plan income will be dependent on the rate, nature and value of development which occurs from 2020-2025 inclusive. Not all contributions levied under this Plan will be paid between 2020-2025, as there is a lag between when contributions are conditioned in consents, whether consents are activated and when payment occurs.

A.3 Strategic Planning Framework

This Plan is prepared within a wider strategic planning framework for not only Central Sydney and the City but metropolitan Sydney more broadly. The Plan plays its role in giving effect to the Eastern City District Plan and is informed by our local characteristics and opportunities, the directions in Sustainable Sydney 2030, the City's community strategic plan, and various local plans and strategies. The following provides a summary of these plans and strategies:

a) A Metropolis of Three Cities – the Greater Sydney Region Plan

A Metropolis of Three Cities – the Greater Sydney Region Plan (the Region Plan), released by the Greater Sydney Commission in March 2018, is the overarching plan for the Greater Sydney Region.

The Region Plan:

- sets a 40-year vision (to 2056) and establishes a 20-year plan to manage growth and change for Greater Sydney in the context of social, economic, cultural and environmental matters
- informs district and local plans and the assessment of planning proposals
- assists infrastructure agencies to plan and deliver for growth and change and to align their infrastructure plans to place-based outcomes
- informs the private sector and the wider community of the growth management and infrastructure investment intentions of government.

The Region Plan is guided by a vision of three cities where most residents live within 30 minutes of their jobs, education and health facilities, services and great places. Central Sydney lies within the established Eastern Harbour City – for which the Region Plan builds on its recognised economic strength and addresses livability and sustainability a framework for the development and success of an emerging new city.

b) Eastern City District Plan

The Eastern City District Plan (District Plan) requires the City of Sydney to:

- demonstrate how it will deliver the 0–5 year target of 18,300 dwellings (2016–2021) for the local government area
- develop, agree and demonstrate delivery of a 6–10 year dwelling target for the local government area
- identify the capacity to contribute to an 11–20 year dwelling target of 157,500 for the Eastern City District
- plan for and deliver at least 169,260 new jobs by 2036 in the Harbour CBD and Green Square-Mascot strategic centres, with a higher aspirational target of 244,260 by 2036.

c) Local Strategic Planning Statement 2019

The Local Strategic Planning Statement reinforces the links between the New South Wales Government's strategic plans, region and district plans, and the City's community strategic plan, Sustainable Sydney 2030, and the planning controls that guide development in our city. The Planning Statement also informs the review of planning tools, such as this Plan, to ensure that local facilities are provided as the community's needs change.

In responding to the requirements of the District Plan's growth targets,– including for the Central Sydney area to which this Plan applies – Council's Planning Statement, is informed by the Central Sydney Planning Strategy 2016-2036 and the technical studies and analyses that have informed the growth projections described in this Plan.

This Plan is therefore consistent with achievement of the growth requirements of the *Eastern City District Plan* and the response to those requirements outlined in the Planning Statement.

d) Sustainable Sydney 2030 and 2050

During the preparation of this Plan in 2019, the City's long term vision for Sydney, *Sustainable Sydney 2030*, was being updated to *Sustainable Sydney 2050*.

The Sydney *2050 Community Engagement Insights Report* revealed our community seeks a safe, sustainable, green and walkable city. Community session snapshots revealed aspirations for: a city with fewer cars and more active transport (walking and bike path networks); a city that is green with trees and plants, has quality public spaces, has active libraries and has safe spaces, better street lighting; and the capacity to support a growing population. The works program funded by this Plan will deliver facilities that address these issues.

A.4 Floor space growth and development

Significant additional floor space is likely to be generated in Central Sydney to meet the population growth outlined in A.1 above. In addition to the additional floor space and major refurbishment, the levy also applies to smaller scale floor space refurbishment work with a cost exceeding $200,000.

Commercial Floor space growth

The City of Sydney Commercial Monitor (June 2019) describes expected additional floor space and major refurbishment (valued over $10m) and conversions (valued over $1m) projected to occur across the City of Sydney. The Monitor projects that across the four years from 2020-2024, the CBD Villages precincts will experience "completions and expected completions" of 670,088 sq.m, representing an average annual floor space growth or redevelopment rate of 167,522 sq.m. Applying this annual average growth across the six year period this Plan is likely to apply, suggests the CBD Villages precinct will grow by 1,005,132 sq.m by the end of 2025. More modest additional floor space growth (50,610 sq.m) is expected in the three surrounding villages partially within Central Sydney, namely Crown Street-Baptist Street, Oxford Street and Redfern Street. Averaging total completions and expected completions in Central Sydney across the six years from 2020-2025 (inclusive), suggests total commercial floor space growth will be 1,055,742 sq.m.

Residential Floor space growth

The projected increase of 5,496 dwellings from 2020-2025 (inclusive) described in A.1 above, suggests that, assuming an average dwelling size of 85sq.m, an additional 467,160 sq.m of residential floor space will be created over the life of this Plan.

Projected additional floor space 2020-25 (inclusive)

Land Use	Floor space growth 2020-25 (inclusive)
Non-residential/ Commercial	1.1 million sq.m
Residential	467,000 sq.m

A.5 Contribution to broader capital works program

Contributions received under this Plan will help fund delivery of infrastructure provided by the City to ensure adequate service levels are provided for the growing residential and workforce populations envisaged in the strategies outlined above. The Schedule of Works in this Plan is drawn from the City's *Resourcing Strategy 2019*, which outlines a 10 year capital works program allocating $1.66 billion for new and renewed infrastructure across the City. Other longer term works, such as the City's long-standing planning for the creation of two additional city squares in Central Sydney (located opposite Town Hall and Central Station (Railway Square)), are drawn from strategies such as Sustainable Sydney 2030 and the Central Sydney Planning Strategy.

New development in Central Sydney occurring from 2020-25 (inclusive) and levied under this Plan is forecast to fund approximately $261M of new or renewed infrastructure, services and amenities, to meet the needs of the growing residential and non-residential population. The facilities and services funded by the Plan will include streetscape upgrades associated with the new light rail line, parks' improvements (e.g. Hyde Park and Belmore Park), library facilities (e.g. Darling Square library) and extension of the cycleway network. Where these works have been completed in advance of demand and already delivered by Council, this Plan will recoup the costs associated with the works.

Prince Alfred Park Pool, Surry Hills

Appendix B Schedule of works

B.1 Completed works under recoupment and proposed works

The schedule describes:

- works already delivered by the City, the costs of which are now being recouped from development through payment of the levy; and
- works anticipated to be delivered over the life of this Plan, including those from the 10 year capital works program and other long-term projects, and which are to be funded wholly or partly through the payment of the levy.

The works provide additional or enhanced local infrastructure which will benefit the additional residential and worker populations forecast for Central Sydney from 2020-2025 (inclusive). The proposed works are subject to the budgeting and operating resources of Council.

Works item no.	Works item description	Estimated cost ($2019)	Estimated delivery timeframe
	Open Space		
1.	Cook and Phillip Park, Children's all abilities inclusive playground with indigenous narrative	$6,280,000	2020-2025
2.	Hyde Park upgrade	$20,000,000	Recoupment and ongoing to 2025
3.	Belmore Park upgrade	$10,358,000	2020-2025
4.	Observatory Hill Park upgrades	$7,300,000	2020-2025
	Sub Total	$43,938,000 (7% of total)	
	Public Domain Improvements		

Works item no.	Works item description	Estimated cost ($2019)	Estimated delivery timeframe
5.	City Centre pedestrian improvements including Bent St precinct, Loftus St, George St	$35,000,000	2020-2030
6.	Chinatown Public Domain improvement - Thomas and Hay Streets	$7,615,328	Recoupment – completed 2017-2018
7.	City Centre Laneways upgrades, including Wynyard Lane, York Lane and Reiby Place	$16,600,000	2020-2025
8.	Regimental Square upgrade	$700,000	Recoupment – completed 2018-2019
9.	Chinatown Public Domain improvements including Quay Street	$15,000,000	2020-2025
10.	Argyle Street upgrade - Lower Fort Street to Kent Street	$4,520,687	Recoupment – completed 2018-2019
11.	Light Rail-related George Street public domain upgrade and ancillary works - CBD to South East	$224,000,000	Recoupment – completed 2019-2020
12.	Public Toilets City Centre	$5,000,000	2020-2025
13.	Crowded Place Protection - Central Sydney, including George Street, Martin Pace, Alfred Street and Hyde Park	$5,000,000	2020-2025
14.	Public spaces upgrades City Centre and North including Queen Square/Phillip Street, Barrack Street, Richard Johnson Square and Shakespeare Place	$13,200,000	2020-2025
15.	Martin Place Master Plan implementation	$10,000,000	2020-2025
16.	Town Hall Square land acquisition	$145,000,000	Recoupment and ongoing to 2030
17.	Railway Square ancillary works	$10,000,000	2024-2030
18.	Eora Journey public art, including Harbour Walk, Bara and Yininmadyemi	$6,000,000	2020-2025
19.	City centre granite paving and smart poles	$10,000,000	2020-2025
	Sub Total	$507,636,015 (77% of total)	
	Community Facilities		
20.	Prince Alfred Park - Pool redevelopment	$21,183,938	Recoupment – completed 2018-2019

Works item no.	Works item description	Estimated cost ($2019)	Estimated delivery timeframe
21.	Sydney Town Hall and Sydney Square accessibility upgrade	$15,000,000	2020-2030
22.	City Centre Permanent Public Art “The Distance of Your Heart”	$1,900,000	Recoupment – completed 2019-2020
23.	Lance Preschool & Childcare centre - Landscaping playground, 37 High Street, Millers Point	$563,000	Recoupment – completed 2018-2019
24.	Customs House lift upgrade	$1,500,000	2020-2025
25.	New Darling Square Library - Fit-out works	$10,000,000	2020-2025
26.	Cook & Phillip Aquatic and Fitness Centre - Works package	$4,150,000	2020-2025
27.	New Bathurst Street Creative Hub fitout works	3,332,000	2020-2025
28.	Customs House Acquisition	$27,000,000	Recoupment – acquired 2019
	Sub Total	**$84,628,938 (13% of total)**	
	Roads, Traffic and Transport facilities		
29.	Cowper Wharf Road upgrade, Woolloomooloo	$840,000	2020-2025
30.	Liverpool Street Cycleway	$9,182,532	Recoupment – completed 2017
31.	Observatory Towers/ Kent Street pedestrian crossing improvements	$1,600,000	2020-2025
32.	Cycleway - Castlereagh Street, Central and South	$9,870,674	Recoupment – completed 2017
	Sub Total	**$21,493,206 (3% of total)**	
	Grand Total	**$657,696,159**	

The Rocks
Barangaroo
Botanic Gardens
Garden Island
The Domain
Hyde Park
Darling Harbour
Belmore Park
Prince Alfred Park
Moore Park
TAFE
UTS
Bridge St
Margaret St
Macquarie St
George St
Market St
Bathurst St
Goulburn St
College St
William St
Macleay St
Darlinghurst Rd
Boundary St
Riley St
Campbell St
Flinders St
Crown St
Mary St
Chalmers St
Anzac Pde
Elizabeth St
10
4
23
18
13
24
28
7
5
31
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17
20
Figure 2: Works item locations
Land to which this Plan applies
Public domain improvement works
Community facilities works
Open space works
Roads, traffic and transport works
1 - Works item No. described in the Schedule of Works in Appendix B of this Plan
Items not shown (due to multiple locations or locations to be determined):
- Public domain improvements: 12, 19
- Community facilities: 22
0
250
500m
NORTH

B.2 Substitution of works items

This City may amend this Plan to alter, remove or substitute items in the Schedule of Works to this Plan to reflect relevant changes such as population forecasts, demand, and strategic initiatives at a local or state level. The City can only allocate levy funds to works if they are listed in the Schedule of Works. If the City allocates levy funds to a works item that is subsequently removed from the Schedule of Works, the City will reallocate funds to the amended Schedule of Works. Any alteration, removal or substitution of an item from the Schedule of Works does not affect an applicant's liability to pay the applicable levy, and require the City to provide a refund to the applicant.

B.3 Commitment of levy funds

The City will commit income from the levy to the works completed (and under recoupment) and anticipated future works described in the Schedule of Works. The City may spend more or less on a works item than the amount specified in the Schedule of Works. For example, the City may modify the scope of a particular works item with an associated cost increase or decrease. If the cost increases, the City will fund the cost increase through other sources. If the cost of the works item decreases, the City will allocate the excess funds to other items in the Schedule of Works rather than refund the difference between the actual cost and the amount specified in this Plan.

B.4 Pooling of levy payments

To assist in the delivery of works items in this Plan, the City may pool levy payments and apply the pooled levy funds to selected projects in the Schedule of Works. Council is satisfied that the pooling and progressive application of the money paid will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.

B.5 Prioritising expenditure of pooled funds

Expenditure of pooled levy payments will be prioritised generally towards completed projects under recoupment then to projects that have relevant approvals.

The indicative timeframe for each works item is subject to change as it is influenced by:

- rate of development and contributions received
- pooling of funds
- updates to the City's capital works program each year
- relationship between the works and other events, including but not limited to, approvals, NSW Government infrastructure delivery and development of adjoining lands.

Appendix C Dictionary

Adaptive reuse	Means the modification of a heritage place to a new use that conserves its heritage values. The new use must not be for the original use or an existing or previous use.
Affordable housing	Has the same meaning as contained in Section 1.4 of the EP&A Act. Note: At the time of publication of this Plan, Section 1.4 of the EP&A Act defines affordable housing as 'housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument'.
Charity or Not-for-profit organisation	Means an organisation registered with the Australian Charities and Not-for-profits Commision
Complying development	Has the same meaning as contained in Section 1.4 of the EP&A Act. Note: At the time of publication of this Plan, Section 1.4 of the EP&A Act defines complying development as 'development for which provision is made as referred to in Section 4.2(5)'.
Concept development	Means a development that is carried out in accordance with Division 4.4 of the EP&A Act and is defined under Section 4.22 of the EP&A Act as 'a development application that sets out concept proposals for the development of a site, and for which detailed proposals for the site or for separate parts of the site are to be the subject of a subsequent development application or applications'.
Development cost	Means the cost of the development as determined at clause 2.3 of this Plan.
Laneway	Means a public road with a width less than six metres.
Material public benefit	Means settlement or part settlement of the levy through the provision of public amenities or services which are not works listed in the Schedule of Works (see Appendix B) of this Plan. Material public benefit does not include the cost or value of works or dedication of land which is required as a condition of consent and these consent-conditioned works may include, but are not limited to: • the provision of public art, • public domain improvements to frontages of the site (e.g. footpath upgrade, provision of smart poles, planting of street trees), • minor land dedications (e.g. splay corners and land excess to the development), • land dedications and embellishments required by the planning controls, and

	• the provision of through site links and associated easements. Note: also see 'Works-in-kind' in this Dictionary.
Non-potable use	In the case of water, means any purpose other than drinking, cooking or washing; and includes, but is not limited to: watering plants and landscaped areas, flushing toilets, or use in cooling towers.
Planning authority	Has the same meaning as contained in Section 7.1 of the EP&A Act. Note: At the time of publication of this Plan, Section 7.1 of the EP&A Act defines a planning authority as: • a council, or • the Minister, or • the Planning Ministerial Corporation*, or • a development corporation (within the meaning of the Growth Centres (Development Corporations) Act 1974), or • a public authority declared by the regulations to be a planning authority for the purposes of this Division. * Central Sydney Planning Committee is deemed a Corporation pursuant to Section 33 of the City of Sydney Act 1988.
Social housing	Means the provision of housing undertaken by a social housing provider. Note: 'social housing provider' has the same meaning as contained in Clause 4 of the State Environmental Planning Policy (Affordable Rental Housing) 2009.
Social housing provider	Has the same meaning as in *State Environmental Planning Policy (Affordable Rental Housing) 2009*.
Works-in-kind	Means settlement or part settlement of a levy through the provision of physical works listed in the Schedule of Works to this Plan. Note: see also 'Material Public Benefit' in this Dictionary.

Appendix D Legislative framework

Section 7.12 of the Environmental Planning and Assessment Act, Clause 25J of the Environmental Planning and Assessment Act Regulation

Environmental Planning and Assessment Act 1979 No 203

Part 7 Division 7.1 Subdivision 3 Section 7.12

7.12 Fixed development consent levies

(cf previous s 94A)

(1) A consent authority may impose, as a condition of development consent, a requirement that the applicant pay a levy of the percentage, authorised by a contributions plan, of the proposed cost of carrying out the development.

(2) A consent authority cannot impose as a condition of the same development consent a condition under this section as well as a condition under section 7.11.

(2A) A consent authority cannot impose a condition under this section in relation to development on land within a special contributions area without the approval of:

(a) the Minister, or

(b) a development corporation designated by the Minister to give approvals under this subsection.

(3) Money required to be paid by a condition imposed under this section is to be applied towards the provision, ex-tension or augmentation of public amenities or public services (or towards recouping the cost of their provision, ex-tension or augmentation). The application of the money is subject to any relevant provisions of the contributions plan.

(4) A condition imposed under this section is not invalid by reason only that there is no connection between the development the subject of the development consent and the object of expenditure of any money required to be paid by the condition.

(5) The regulations may make provision for or with respect to levies under this section, including:

(a) the means by which the proposed cost of carrying out development is to be estimated or determined, and

(b) the maximum percentage of a levy.

Environmental Planning and Assessment Regulation 2000

Current version for 13 September 2019 to date (accessed 14 October 2019 at 08:52)

Part 4 Division 1B

Division 1B Development consent contributions

25J Section 7.12 levy—determination of proposed cost of development

(1) The proposed cost of carrying out development is to be determined by the consent authority, for the purpose of a section 7.12 levy, by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:

(a) if the development involves the erection of a building, or the carrying out of engineering or construction work—the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation,

(b) if the development involves a change of use of land—the costs of or incidental to doing anything necessary to enable the use of the land to be changed,

(c) if the development involves the subdivision of land—the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.

(2) For the purpose of determining the proposed cost of carrying out development, a consent authority may have regard to an estimate of the proposed cost of carrying out the development prepared by a person, or a person of a class, approved by the consent authority to provide such estimates.

(3) The following costs and expenses are not to be included in any estimate or determination of the proposed cost of carrying out development:

(a) the cost of the land on which the development is to be carried out,

(b) the costs of any repairs to any building or works on the land that are to be retained in connection with the development,

(c) the costs associated with marketing or financing the development (including interest on any loans),

(d) the costs associated with legal work carried out or to be carried out in connection with the development,

(e) project management costs associated with the development,

(f) the cost of building insurance in respect of the development,

(g) the costs of fittings and furnishings, including any refitting or refurbishing, associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land),

(h) the costs of commercial stock inventory,

(i) any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law,

(j) the costs of enabling access by disabled persons in respect of the development,

(k) the costs of energy and water efficiency measures associated with the development,

(l) the cost of any development that is provided as affordable housing,

(m) the costs of any development that is the adaptive reuse of a heritage item.

(4) The proposed cost of carrying out development may be adjusted before payment, in accordance with a contributions plan, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan (such as a Consumer Price Index) between the date the proposed cost was determined by the consent authority and the date the levy is required to be paid.

(5) To avoid doubt, nothing in this clause affects the determination of the fee payable for a development application.