

Relevant Information for Council

FILE: S064204 **DATE:** 17 February 2020

TO: Lord Mayor and Councillors

FROM: Graham Jahn AM, Director City Planning, Development and Transport

SUBJECT: Information Relevant To Item 9.3 - Public Exhibition - Planning Proposal:
Central Sydney 2020 - Draft Sydney Development Control Plan 2012:
Central Sydney - Draft Central Sydney Development Contributions Plan

For Noting

This memo is for the information of the Lord Mayor and Councillors.

Purpose

To provide additional background information on development contributions in Central Sydney.

Background

At the meeting of the Transport, Heritage and Planning Committee on 10 February 2020, Councillors requested further information on development contributions in relation the Draft Central Sydney Development Contributions Plan. This information is provided below.

Comparison of proposed levy with other councils

Under the Draft Central Sydney Development Contributions Plan, it is proposed to apply a 3 per cent levy to all development with a cost of \$200,000 or more. No levy would apply to works with a development cost below \$200,000.

This rate is comparable with the contribution levies adopted in several other metropolitan and regional centres in NSW in response to their need to deliver the infrastructure required for expected growth. The maximum levies applying in these centres is as follows:

	Development cost	Maximum levy (% of development cost)
Parramatta City Centre	More than \$250,000	3%
Burwood Town Centre	More than \$250,000	4%
Chatswood Central Business District	More than \$250,000	3%
Gosford City Centre	More than \$250,000	4%
Newcastle City Centre	More than \$250,000	3%
Liverpool City Centre		
Commercial / Mixed use	\$1 million or more	3%
High density residential / Light industrial	\$1 million or more	2%
Wollongong City Centre	More than \$250,000	2%

Analysis of existing development contributions data

The table at Attachment A provides insight into typical development types in Central Sydney for which Development Applications (DAs) have been approved and Construction Development Certificates (CDCs) issued in 2019. The cost of works for each Development Application and Construction Development Certificate has been used to estimate the proportion of contribution levy expected to be derived according to development cost.

There were 949 Development Applications and Construction Development Certificates where the development cost was under \$200,000. These Development Applications and Construction Development Certificates are not subject to a contribution levy, as the existing levy does not apply where the development cost is below \$200,000. The current proposal maintains the \$200,000 threshold for applying the levy.

There were 51 Development Applications and Construction Development Certificates where the development cost was between \$200,000 and \$250,000. Many of these Development Applications and Construction Development Certificates were for retail fitouts (including food and drink premises) and office fitouts. There were also some Development Applications and Construction Development Certificates for works to commercial buildings and a small number of Development Applications for alterations and additions to dwellings in Millers Point. It is estimated that 0.6 per cent of contribution levies from 2019 Development Applications / Construction Development Certificates may be derived from developments with a cost of works between \$200,000 and \$250,000.

There were 145 Development Applications and Construction Development Certificates where the development cost was between \$250,001 and \$500,000. There were similar development types in this cost category as in the \$200,000 to \$250,000 category. Approximately 2.7 per cent of potential 2019 contributions levies may be derived from developments in this cost category.

Of the 132 Development Applications and Construction Development Certificates with a development cost of between \$500,001 and \$1 million, many related to office fitouts and alterations to commercial buildings. It is estimated that 4.9 per cent of contribution levies from 2019 Development Applications / Construction Development Certificates may come from developments in this cost category.

For the 185 Development Applications and Construction Development Certificates with a cost of works exceeding \$1 million, there was a wide variety of application types ranging from office, retail and restaurant fitouts through to multi-storey mixed use buildings. It is estimated that these Development Applications and Construction Development Certificates may account for around 91.8 per cent of 2019 contribution levies.

Memo from Graham Jahn AM, Director City Planning, Development and Transport

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Attachments

Attachment A. Central Sydney - Development Contributions 2019

Approved



GRAHAM JAHN AM

Director City Planning, Development and Transport