

# FACT SHEET: Developer Contributions



## What are Section 7.11 / 7.12 Development Contributions?

Section 7.11 / 7.12 of the *Environmental Planning and Assessment Act 1979 (EP&A Act)*, enables local councils or other consent authorities to levy monetary contributions for public amenities required as a consequence of development. These contributions are essential in maintaining access to the facilities and services that support the high quality of life that residents of Sutherland Shire Council enjoy.

## What are the new Section 7.11 / 7.12 Contribution Plans?

*Sutherland Shire Local Environmental Plan 2015 (SSLEP2015)* facilitates development that could result in population growth of approximately 25,000 people over the next 10 years. This population increase will mainly occur in the town centres and the residential flat zones around the centres. A growing population will place additional pressure on the Shire's parkland and its sporting facilities.

Council has two new contribution plans:  
Sutherland Shire Section 7.11 Plan 2016, and  
Sutherland Shire Section 7.12 Plan 2016

The plans were prepared and exhibited for public comment during 2016 and on the 7th November 2016 Council adopted the final plans.

## When do the new plans commence?

The plans commenced on 1<sup>st</sup> January 2017. Both new plans apply to **applications for development, including Complying Development Certificates (CDCs), lodged after 1st January 2017**. The previous plans remain applicable to development applications and CDCs lodged before 1<sup>st</sup> January 2017.

## How will the contribution funds be used?

Sutherland Shire Section 7.11 Plan 2016 - The plan funds the acquisition of open space and public domain improvements in centres to improve the utility of urban spaces to meet the needs of a growing population in centres. The plan will also fund existing regional open space and recreational facilities.

Sutherland Shire Section 7.12 Plan 2016 – This plan funds local and regional open space, as well as infrastructure improvements across the Shire.

Both plans contain detailed works schedules for the expenditure of funds.

## What kinds of development require a contribution?

Sutherland Shire Section 7.11 Plan 2016 – applies to any development that will create additional dwellings and development that is predominantly residential, in the following mapped centre precincts:

Cronulla  
 Caringbah and adjacent Medical Precinct,  
 Sylvania Southgate  
 Miranda and adjacent Pinnacle Street Precinct,  
 Gymea  
 Sutherland / Kirrawee Centres  
 Jannali  
 Engadine

Sutherland Shire Section 7.12 Plan 2016 – applies to all other development with an estimated construction cost over \$100,001. This includes business, industrial and commercial development, as well as residential development – including alterations and additions to single dwellings, dual occupancies, and multi-dwelling development.

SSLEP2015 increased the allowable floor space ratio in all residential zones, resulting in a significant increase in residential development activity. The substantial expenditure involved in dwelling construction is indicative of the increased affluence of the residents of the Shire and the better quality of life to which they aspire. Residents have the same heightened expectations for the overall amenity of the community. Council is experiencing increased demands for both a greater quantity and better quality of public facilities. The Section 7.12 Plan will allow these growing demands to be funded.

The application of the Section 7.12 plan is consistent with the policy framework governing Developer contributions. Section 7.12 plans, are common throughout Sydney including Rockdale, Kogarah, Willoughby, Warringah, Hornsby, Wollongong, Randwick, Bankstown, Ashfield and Burwood Councils.

### How much will my contribution be?

Sutherland Shire Section 7.11 Plan 2016 - The contribution comprises a local and a regional component. The current contribution per dwelling at 1/7/2022 is:

Centre Precinct	Regional Contribution	Local Contribution	Total Contribution
Caringbah	\$5,296.30	\$14,703.70	<b>\$20,000</b>
Cronulla	\$5,331.55	\$14,668.45	<b>\$20,000</b>
Miranda	\$5,482.90	\$14,517.10	<b>\$20,000</b>
Sutherland/Kirrawee	\$5,294.15	\$14,705.85	<b>\$20,000</b>
Jannali	\$5,367.05	\$14,632.95	<b>\$20,000</b>
Engadine	\$5,453.75	\$14,546.25	<b>\$20,000</b>
Gymea	\$5,468.70	\$14,531.30	<b>\$20,000</b>
Sylvania	\$5,308.00	\$14,692.00	<b>\$20,000</b>
Boarding House Rooms	\$4,597.70	\$7,344.00	<b>\$11,941.70</b>

Legislation currently caps the contribution at \$20,000 per dwelling.  
 Under the plan a concession is granted for existing dwelling development.

Sutherland Shire Section 7.12 Plan 2016 - The contribution is based on the estimated cost of development. A contribution at a rate of 0.5% is required for development costing between \$100,001-\$200,000 and 1% for development costing over \$200,001.

### Will the contribution be indexed over time?

To ensure that any contributions accurately reflect the actual cost of the proposed development at the time of construction, outstanding levies and the Section 94 Plan will be indexed in accordance with Consumer Price Index (CPI) the first of July each year. The indexation rate that was applied on 1/07/2022 was 4.39% for CPI and 11.4% for IPD.

### Are there any exemptions?

Section 7.11 or 7.12 contributions are not required for:

- Applications made under *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004* by a social housing provider as defined by that policy.
- Components of applications for Seniors Housing that include:

- hostels,
- residential care facilities,  
as defined under *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*.
- Secondary Dwellings, as defined by SSLEP2015
- Affordable Housing undertaken by a social housing provider as defined by the SEPP (Affordable Rental Housing) 2009.
- Emergency services facilities as defined by SSLEP2015
- Applications by a Public Authority for services and community infrastructure
- Note: 25J of the Environmental Planning and Assessment Regulation 2000 specifies what is to be included in the proposed cost of development. In this regard, the clause presently states the following development is not to be included in the estimated cost:
  - (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.

### When must the contribution be paid?

For development where the development cost is \$10 million or more:

Payment must be made prior to the issue of the first Occupation Certificate in respect of any building to which this Consent relates. If no Construction Certificate has been issued before or on 25 September 2022, the monetary contribution must be paid before the issue of the first Construction Certificate. Before the release of an occupation certificate, Certifiers are required to obtain from Council a certificate of payment, confirming all contributions have been paid in full. **Please note this direction was repealed on the 25/09/2022 for new applications.**

For all other development:

Sutherland Shire Section 7.11 Plan 2016 - The payment of contributions required by a condition of development consent shall be made prior to the issue of the construction certificate for the development.

Sutherland Shire Section 7.12 Plan 2016 –

- For development involving subdivision: before the release of the subdivision certificate / linen plan.
- For development that involves subdivision and construction – before whichever is the first to occur:
  - the issue of a construction certificate; or
  - the release of the linen plan.
- Development application involving building work: before the time of the issuing of the construction certificate.
- Development applications involving a change of use: before at the commencement of the use or occupation of the premises.
- Complying Development Certificates - payment to Council before the commencement of construction or works approved by the certificate.

### Do the plans apply to Complying Development Certificates?

The plans apply to complying development. The Sutherland Shire Section 7.12 Plan 2016 requires a private certifier to impose a condition on complying development certificates requiring a Section 7.12 levy to be paid in accordance with the contributions plan.

### Further information:

For further details of the contribution plans, visit the Sutherland Shire Council website at:

[www.sutherlandshire.nsw.gov.au](http://www.sutherlandshire.nsw.gov.au)

Or contact Council's Developer Contributions Administrator on 9710 0322 or a Strategic Planner on 9710 0800.

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