

**Item No:** R2 Recommendation to Council  
**Subject:** **DRAFT WOOLLAHRA SECTION 7.12 DEVELOPMENT CONTRIBUTIONS PLAN 2022**  
**Author:** Lyle Tamlyn, Strategic Planner  
**Approvers:** Anne White, Manager - Strategic Planning  
Scott Pedder, Director - Planning & Place  
**File No:** 22/35474  
**Purpose of the Report:** To obtain Council's approval to exhibit the Draft Woollahra Section 7.12 Development Contributions Plan 2022.  
**Alignment to Delivery Program:** Strategy 4.1: Encourage and ensure high quality planning and urban design outcomes.

**Recommendation:**

- A. THAT the report on the *Draft Woollahra Section 7.12 Development Contributions Plan 2022* be received and noted.
- B. THAT Council resolves to exhibit the *Draft Woollahra Section 7.12 Development Contributions Plan 2022* as contained in **Attachment 1** of the report to the Strategic & Corporate Committee of 21 March 2022.

---

**Executive Summary:**

The purpose of this report is to seek Council's support to exhibit the *Draft Woollahra Section 7.12 Contributions Plan 2022* (Draft Plan) included at **Attachment 1**.

**Discussion:**

Background

Section 7.12 (previously s94A) of the *Environmental Planning and Assessment Act 1979* allows councils to impose, as a condition of consent, a requirement that the applicant pay a contributions levy. This is calculated as a percentage of the cost of works.

For Council to impose a condition that complies with the requirements of the *Environmental Planning and Assessment Regulation 2000*, a section 7.12 plan must be in place.

The existing *Woollahra Section 7.12 Development Contributions Plan 2021* commenced on 30 August 2021 (the current Plan). This plan authorises Council to impose conditions on development consents, which require the applicant to pay Council a maximum levy of 1% of the proposed cost of works.

Section 25K of the *Environmental Planning and Assessment Regulation 2000* directs the maximum percentage of the levy, based on the range of the development cost:

- up to \$100,000 the maximum percentage of the levy is Nil
- \$100,001 - \$200,000 the maximum percentage of the levy is 0.5%
- more than \$200,001 the maximum percentage of the levy is 1.0%

Funds obtained through the section 7.12 levy are applied towards the provision, extension or augmentation of public amenities or public services or towards recouping the costs in providing, extending or augmenting those amenities or services.

The demand for public facilities is related to expected residential, commercial, retail and other non-residential development across the local government area.

In preparing a section 7.12 plan, Council must show the public amenities or public services in a schedule and also on a map. The funds from levies paid may be pooled and used progressively, and indicative priorities for expenditure should be set out in the plan.

Section 7.12 funds are only one source of revenue available to Council for expenditure on projects. As such, the section 7.12 plan is not the mechanism for approving expenditure on projects, nor does it approve the carrying out of the works. Expenditure of section 7.12 funds is facilitated through the approval of Council's annual budget which is contained in Council's annual operational plan.

To ensure that the value of contributions for the construction and delivery of infrastructure is not eroded over time by inflation, the current Plan authorises that contributions will be adjusted over time. In this way, the contribution accurately reflects the actual cost of the proposed development at the time of construction,

#### Draft Plan and the Draft 2022/23 Budget

Also included on the agenda for the Strategic and Corporate Committee of 21 March 2022 is Council's draft Community Strategic Plan, Delivery Program 2022 to 2025 and Operational Plan 2022/23 which includes the Draft 2022/23 Budget.

Consistent with the Draft 2022/23 Budget, the Draft Plan contains an up to date list of infrastructure which is to be facilitated in the Woollahra LGA. It is appropriate that Council concurrently endorses (for public exhibition) the Draft Plan and the Draft 2022/2023 budget to ensure that the Draft Plan is up to date, and simplify the community engagement process for the community.

Accordingly, the Draft Plan contains an up to date list in 'Schedule 1 – Works Schedule and Map'. New projects have been included in the table and the map has been updated to show the relevant locations of each one.

The *Draft Woollahra Section 7.12 Contributions Plan 2022* has been prepared to repeal and replace the current *Woollahra Section 7.12 Contributions Plan 2021*.

#### **Options:**

If Council supports the proposed Draft Plan, the next step is to place this on public exhibition. The process for exhibiting a contributions plan is set out in the EP&A Act 1979, the *Environmental Planning and Assessment Regulation 2021*, and the *Woollahra Community Participation Plan 2019*.

Alternatively, Council may resolve to require staff to make amendments to the Draft Plan.

#### **Community Engagement and / or Internal Consultation:**

If endorsed by Council, the Draft Plan must be publicly exhibited for a minimum of 28 days. Public notice will be given in the Wentworth Courier each week of the exhibition and on Council's website. The outcome of the exhibition will be reported to a future meeting of Council.

#### **Policy Implications:**

If the proposed plan is adopted after exhibition period, the current *Woollahra Section 7.12 Development Contributions Plan 2021* will be repealed and replaced by the Draft Plan.

#### **Financial Implications:**

If approved, the Draft Plan will provide revenue to Council for use on infrastructure works.

### **Resourcing Implications:**

Staff resources will be used in the exhibition of the Draft Plan and the preparation of future reports to Committee.

### **Conclusion:**

The current *Woollahra Section 7.12 Development Contributions Plan* only includes work budgeted for the 2021-2022 financial year. Accordingly, we have prepared a Draft Plan which identifies those projects which have been identified for completion in the 2022-2023 budget. The Draft Plan, if adopted by Council, would repeal and replace the current Plan.

Staff recommend that Council resolves to exhibit the *Draft Woollahra Section 7.12 Contributions Plan 2022* as contained in **Attachment 1**.

### **Attachments**

1. Section 7.12 Contributions Plan 2022 - Draft Plan