

The Hon. Pru Goward MP
Minister for Planning &
Minister for Women
GPO Box 5341
Sydney NSW 2001

Monday 1 December 2014

Our Reference: COR2006/662

Dear Minister,

Environmental Planning and Assessment Act 1979
Subdivision 3 – Local Infrastructure Contributions
City of Ryde Section 94 Development Contributions Plan

I am writing to secure 'in-principle' support for the City of Ryde to seek an exemption to Environmental Planning and Assessment Regulation 2000 – Reg 25K for the maximum percentage to be levied under Section 94A of the Act. This sets the threshold and maximum levy that would normally apply at \$100,000 and at 1% of the cost of development.

Currently the City of Ryde obtains infrastructure contributions from developers by means of its single Section 94 Development Contributions Plan 2007 that was adopted on 11 December 2007. Council's Four Year Delivery Plan 2012-2016 identified the need to review the Plan at its five year anniversary and work began in December 2012.

On 24 September 2013 Council resolved to endorse a variable rate S94A development contributions plan and delegated authority to the General Manager for the appropriate resources to prepare the new plan. A comparative analysis of S94 and S94A revealed that in the same modelling period S94A, applying regulatory limits, would produce \$85.1M income whereas S94 would provide \$198.3M. S94A with a modified threshold and increased percentage would achieve \$233.2M income.

Council representatives met with Terry Natt of the Growth Infrastructure Funding unit of the Department on 31 July 2014 to determine the appropriate method to progress the variable rate S94A Plan favoured by Council.

City of Ryde's proposed S94A Development Contributions Plan, endorsed by Council on 14 October 2014, seeks to utilise a threshold of \$350,000 rather than \$100,000 and apply maximum levies upon the cost of development of 1%, 3% and 4% dependent upon location. In clarification of Ryde's approach a summary schedule is attached identifying the changes for which Ryde is seeking 'in-principle' support.

Council's aspiration is to expend \$523M on 71 infrastructure projects in its proposed S94A Work Schedule 2015-2025 and has identified that 71% of the required expenditure would occur in the town centres. This is due to the concentration in the town centres of transport connections, and demands for employment options and apartment dwellings. In a similar approach to that sanctioned for Parramatta, Willoughby and Burwood councils, Ryde is seeking a S94A percentage increase for localities with higher development activity to match the funding demand upon infrastructure in those areas. A levy of 4% of the development cost in the Macquarie Park Corridor and 3% in Ryde's other town centres is designed to achieve this; the 1% levy is retained for developments outside these areas.

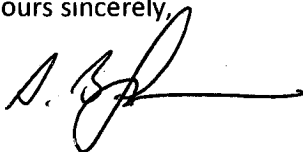
Whilst recognising the pace, scale and cost of residential change being undertaken by professional developers, Council is keen to avoid burdening 'mum and dad' developers seeking to improve their homes to cater for families remaining together longer. Council's preference therefore is to raise the threshold to \$350,000 at which S94A levies become payable.

Should you require further detail at this stage, the enclosed CD includes the Council Reports and Resolutions referenced in this letter and the S94A Business Plan and Draft S94A Contributions Plan.

Approval 'in-principle' to Council's aim to implement a S94A contributions plan with raised thresholds and increased levies is a critical stage in the project. If you are able to provide this approval, Council will exhibit its S94A plan for public comment, and subject to that outcome lodge a formal request to the Department to transition from the current S94 Development Contributions Plan 2007 to a S94A Development Contributions Plan for the period 2015 to 2025.

Should you require further information please call me on 9952 8052.

Yours sincerely,



Dominic Johnson
Acting General Manager

Enclosures:

24 Sept 2013 Report to Council - City of Ryde Development Contributions Plan (includes workshop slides 16 July 2013)

24 Sept 2013 Council Resolution - City of Ryde Development Contributions Plan

26 August 2014 Councillors' Workshop presentation

14 October 2014 Report to Council with Business Case and Draft S94A Contributions Plan.

14 October 2014 Council Resolution - S94A Development Contributions Plan

SUMMARY

City of Ryde is seeking 'in-principle' approval to apply S94A levies that differ to those of *Environmental Planning and Assessment Regulation 2000 - 25K Section 94A levy maximum percentage*.

1. City of Ryde has identified the need to expend \$523M on infrastructure, which divides across the LGA as,

Macquarie Park	\$207M	40%
Eastwood	\$70M	13%
West Ryde	\$15M	3%
Meadowbank	\$12M	2.5%
Ryde	\$53M	10%
Gladesville	\$12M	2.5%
Remainder of Ryde	\$154M	29%

2. The *Environmental Planning and Assessment Regulation 2000 - 25K Section 94A levy maximum percentage* that would apply to Ryde is;

Development cost	Levy
Up to \$100,000	0%
\$100,001 to \$200,000	0.5%
\$200,001 and above	1.0%

3. City of Ryde is seeking 'in principle' support for the following changes to the S94A levies
Inside Macquarie Park Corridor

Cost - All Development	Levy
Up to \$350,000	0%
\$350,001 to \$450,000	0.5%
\$450,001 to \$550,000	1.0%
\$550,001 and above	4.0%

Inside Town Centres*

Cost – All Development	Levy
Up to \$350,000	0%
\$350,001 to \$450,000	0.5%
\$450,001 to \$550,000	1.0%
\$550,001 and above	3.0%

Remainder of Ryde

Cost – Residential Development Dwellings – alterations, additions, secondary dwellings	Levy
Up to \$350,000	0%
\$350,001 to \$450,000	0.5%
\$450,001 and above	0.25%

Cost – All Other Development	Levy
Up to \$350,000	0%
\$350,001 to \$450,000	0.5%
\$450,001 and above	1.0%

*Town Centres are: Eastwood, West Ryde, Meadowbank, Ryde and Gladesville