

SECTION 94A LEVY VARIATION



BACKGROUND

Waverley Council's vision is for Bondi Junction to be a world class place within the greater Sydney area – an accessible and safe place that meets the community's needs now and in the future. We want Bondi Junction to be the Heartbeat of the East: bringing people together from all over the Eastern Suburbs - and from further afield - to live, work and connect. More information relating to our vision for Bondi Junction is available at waverley.nsw.gov.au/bondijunction.

To achieve our Heartbeat of the East vision, we have a number of improvement projects which are either underway or are due to start. However, to make them all happen, we need to ensure we have more secure sources of funding.

What is the S94A¹ levy?

One of the ways we are currently funding the improvement and provision of community infrastructure is through the Section 94A (s94A) development levy in Bondi Junction. This levy is paid by developers to Council when they create a development project in the Junction. It is currently charged at the rate of one per cent of the cost of construction of that development.

Why do we need to vary the s94A levy?

To achieve the 'Bondi Junction – Heartbeat of the East' vision and align with priorities set by the NSW Department of Planning and Environment (DP&E) – Metropolitan Strategy 'A Plan for Growing Sydney', Council's submission proposes to introduce an additional category of four per cent for all significant works over \$250,000. The higher levy rate of four per cent would only apply to medium to large scale development. Refer to draft Council submission (located [here](#)) for detailed exclusions.

Council's capital works program currently outlines the public infrastructure and improved facilities that will be provided within Bondi Junction. The schedule of works listed in Council's Long Term Financial Plan indicates that current and future works are well in excess of \$180 million.

Council has reviewed a number of ways that funding can be secured such as government grants, voluntary planning agreements, value capture mechanisms, and s94 development contributions. From our assessments, s94A is an efficient and reliable funding option for Council to fund the required upgrades. Other funding sources are intermittent while, by varying the levy slightly for larger projects, a more secure stream of funds can be achieved. This will open up the possibility of fast-tracking key improvement projects.

¹ s94A Environmental Planning and Assessment 1979 (NSW)

To illustrate the impact of our proposal, based on the 2014/15 financial year, the current s94A levy (charged at 1% of all projects) raised around \$2 million. Council could have raised around \$7.8 million to fund community infrastructure in Bondi Junction with the four per cent levy in place.

The s94A is an important funding mechanism to offset the impacts of development levy. It ensures the benefits of development are shared with the broader community – current and future residents, for businesses and for visitors. At the same time, the provision and maintenance of quality infrastructure will continue to ensure Bondi Junction is an attractive investment location.

What will the levy variation be used for?

The proposed levy increase for all works costing over \$250,000 in Bondi Junction will:

- assist in the delivery of critical infrastructure in and around Bondi Junction that responds to population demands and environmental sustainability targets, while strengthening its economic prominence in the Sydney metropolitan area;
- contribute towards achieving the Bondi Junction 2030 vision to capitalise on the key drivers that make the area attractive for residents, business (commercial and retail) and tourism;
- ensure Bondi Junction keeps pace with similar Strategic Centres located within Sydney's Global Economic Corridor; and
- assist in positioning Bondi Junction as a major support centre for everyone who travels through to one of Australia's most significant tourism destinations: Bondi Beach.

Example of upgrades that could be funded by increased levy



Timeline

- **December 2015:** Council resolved to pursue submission and publicly exhibit.
- **March-April 2016:** Stakeholder workshops with business, community and developers and public exhibition period for 28 days.
- **May:** Feedback from public exhibition and workshops used to update the submission.
- **June 2016:** Post-exhibition report to Council to review submissions and feedback public exhibition and incorporate any changes to the levy variation submission.
- **July / August 2016:** Submission is sent to the NSW DP&E for consideration and approval by the Minister.
- **Late 2016:** Minister's decision. If approved by the Minister, the proposed levy variation becomes effective.

More information

For more information about the proposed s94A levy variation project, please email george.bramis@waverley.nsw.gov.au or contact Council's Executive Manager, Shaping Waverley, George Bramis on 9038 8050.