

What is a Section 7.12 Contributions Plan?

Sections 7.12 of the *Environment Planning and Assessment Act 1979* (the Act) allows a levy, based on a percentage of the development cost, to be imposed when a development consent or complying development certificate is issued.

What does the levy cover?

Levies paid to Forbes Shire Council will be applied towards the provision, extension or augmentation of public facilities, or towards recouping the cost of their provision, extension or augmentation.

What is the applicable levy?

The contribution rate is calculated as a percentage of the development value, as per the table below:

Cost of Development	Contribution levy rate%
All development valued up to and including \$100,000	0%
All development valued between \$100,000 to \$200,000	0.5%
All development valued in excess of \$200,000	1%

Section 7.12 Contribution Plan cannot be levied for water and sewer servicing. This is the role of *Section 64 Contributions Plans of the Local Government Act 1993*.

How is the development cost determined?

Clause 25J of the *Environmental Planning and Assessment (EP&A) Regulation 2000* specifies the items that should and should not be included in the calculation of the cost of carrying out development.

Do the contributions apply to Complying Development?

Yes. Contributions are required as a condition of consent on Complying Development Certificates, whether the certificate is issued by a private accredited certifier or the Council. Private Certifiers can contact Council for a suggested condition of consent.

What is the responsibility of an accredited certifier?

Section 4.28(9) of the *EP&A Act 1979* requires an accredited certifier to impose a condition requiring a contribution in relation to the Complying Development. It is therefore incumbent upon accredited certifiers to check Council's Contributions Plan to determine its requirements before issuing a Complying Development Certificate and to attach conditions as required.

When are the contributions required to be paid?

For Complying Development, contributions are required to be paid prior to issue of the Complying Development Certificate. For Development Applications, contributions are to be paid prior to the release of the Construction Certificate.

Do the contributions apply to fit outs of shops and commercial premises?

Yes. However, it is recommended that you refer to Clause 25J of the *Environmental Planning and Assessment Regulation 2000* as some fittings and furnishings may not be included in the calculation of the cost of carrying out development.

Will Section 7.12 payments be adjusted?

Clause 25J(4) of the *EP&A Regulation 2000* allows Council to adjust a Section 7.12 contribution between the date of the consent and the time of payment of the contribution. Council will generally adjust the contribution amount at the time of payment based on the Consumer Price Index issued quarterly by the Australian Bureau of Statistics.

How does a Section 7.12 Contributions Plan differ from a Section 7.11 Contributions Plan?

Section 7.11 Contributions Plans are required to establish a nexus between development and the increased demand for public amenities and public services. Conversely, Section 7.12 authorises the imposition of a levy which is calculated as a flat percentage of the development cost, and the *Environmental Planning and Assessment Act 1979* does not require any connection between development which pays the levy and the object of the expenditure of the levy.