Cameron Thomson
Senior Planning Officer – Development Assessment
Department of Planning, Housing and Infrastructure

Dear Cameron,

UNSW, E25 Biolink Building– SSD-73456206 MOD 1

Amendment to Modification Application: Withdraw modification to ‘remove consent condition B9 Development Contributions’

We write on behalf of University of NSW (**UNSW**) in relation to Modification 1 (**Mod 1**) to SSD-73456206 at the UNSW Campus, 356 Anzac Parade, Kensington, NSW 2031 (**the site**). SSD-73456206 was granted consent on 16 December 2025 for the upgrade and extension to Building E25 for the purpose of teaching and research facilities. The redevelopment of Building E25 presents an opportunity for the renewal of an aged and largely vacant existing asset, and for the enhancement of this part of the campus. It will provide significant additional floor space to support the University’s teaching and research facilities, and will do so in a way that encourages new connections and interactions between students and staff. Mod 1, lodged in June 2026, seeks various minor external and internal design amendments and importantly, the deletion of consent condition B9 Development Contributions.

The purpose of this letter is to amend Mod 1, to withdraw the contribution modification portion of the Modification Application being to “Remove consent condition B9 Development Contributions”, as listed in Section 3.1 of the lodged Modification Report prepared by Urbis.

Inherently, UNSW has been advised of proposed development contributions prior to the determination of development applications, and, to ensure that development programmes are not unduly delayed, had to agree to the imposition of the condition. Notwithstanding, UNSW does not agree that any of these contributions should have been rightfully imposed, and equally notes that there are precedents of UNSW developments where exemptions from development contributions have been approved. These include:

- Building B22 – 50% reduction in development contributions approved.
- Building D14 – 50% reduction in development contributions approved.

As set out in the Modification Report, it is submitted that the payment of the development contribution should not be imposed, and a full exemption from payment granted. The requested exemption is directly responsive to the considerations relevant to exemptions articulated in the Randwick City Council (**Council**) Section 7.12 Development Contributions Plan 2024 (**the RCC Contributions Plan**). In summary:

- the payment of the contribution would not have a reasonable connection to the development and its impact on public amenities or services;
- UNSW is a not-for-profit organisation that would be financially disadvantage in payment of its funds of its funds towards the actual needs of the university community, including those who will use this future building; and
- the public benefit that UNSW provides and the potential diversion of public funds warrant exemption of the payment of a section 7.12 development contribution.

The RCC Contributions Plan provides Council's development contribution rates for development within the Randwick LGA. The Plan applies the levies as outlined in the table below. A contribution is required unless exemptions apply under the Plan as discussed below.

Table 1 RCC s7.12 Levy for development applications

Cost of Works	Percentage Levy
Up to $100,000	Nil
$101,000 to $200,000	0.5%
Over $200,000	1%

Exemptions to the Levy

Planning Circular PS25-002 states that:

Certain categories of Crown development are infrastructure for the community and are unlikely to generate the same demand for public amenities or public services in the same way as private development.

As such, the State Government's Practice Note says that consent authorities should take the following into consideration when determining the level of contributions under s7.11:

- the Crown's role in providing an essential community service,
- the benefits the development brings, and
- the cost that is accountable to all taxpayers in the state.

Whilst this practice note does relate to s7.11, it is argued that the same approach should be applied to s7.12 contributions.

Under section 7.12 of the EP&A Act, the Minister for Planning (as the consent authority) has a discretionary power to impose a condition for UNSW to pay a development contribution:

- Section 7.12(3) provides that "*Money required to be paid by a condition imposed under this section is to be applied towards the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation). The application of the money is subject to any relevant provisions of the contributions plan*".

- Section 7.13, which requires a consent authority to determine a contribution amount in accordance with a constructions plan and also provides allowance for ministerial direction in relation to the imposition of conditions requiring payment of a contributions.

Section 1.4 of the RCC Contributions Plan states that the purposes of the Plan are:

- to authorise the imposition of conditions on development consents and complying development certificates requiring that the applicant pay the Council a levy determined in accordance with the Plan;
- to enable Council to have funds to ensure that adequate facilities are provided to meet the demand created by development;
- to assist Council in the provision, extension and augmentation of public facilities;
- to provide a comprehensive framework for the assessment, collection, expenditure, accounting and indexing of development contributions on an equitable basis; and
- facilitate the desirable outcomes identified in the Randwick City Local Strategic Planning Statement, Informing Strategies and relevant studies.

Section 1.7 of the Plan states that the purpose of funds collected from the levy are to meet the demand created by the development.

Section 2 of the Plan explains the relationship between the expected types of development in Randwick City and the demand for additional public amenities and services to meet the needs of that development. Section 2.1.1 elaborates this relationship by noting that the demand for public facilities and infrastructure in Randwick City is related to expected residential, commercial, retail and other forms of non-residential development due to population growth trends. In relation to non-residential developments such as commercial/retail development will raise demands for public facilities, primarily for public domain and town centre improvements, cultural facilities and transport, access and mobility improvements.

The clear driver for collection of development contributions by Council, expressed throughout Council's Section 7.12 Development Contributions Plan 2024, is to collect funding for Council to put towards augmentation of and provision of additional facilities, amenities and services created by the development and population growth.

Further considering Sections 1.13.2 and 1.13.3 of Council's Section 7.12 Contributions Plan 2024, as mentioned above, provides for exemption from development contributions to be granted based on specified circumstances.

Section 1.13.2 allows for exemption from development contributions for works proposed for charitable purposes by, or on behalf of, a not-for profit charity. This exemption is intended for cases where the development is of a small scale with minimal floor space intensification and where there will not be an increase in the demand for public works or infrastructure as a result of the development which would warrant the payment of a Section 7.12 levy. The latter principle ties back to the overall driver for collection of contributions as expressed in several places throughout the plan, being to collect funding for Council to put towards augmentation of and provision of additional facilities, amenities and services where there is a need to do so created by the development and associated population growth.

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Section 1.13.3(a) provides that Council will consider the following when determining whether such an exemption applies:

> "*(i) the extent to which the proposed development comprises or includes the provision, extension or augmentation of public amenities or public services that provide a public benefit, and/or*
>
> *(ii) whether the applicant is affected by any adverse financial circumstance which will impact on its ability to fund the payment of any levy which is imposed in accordance with this Plan*."

The circumstances described in Sections 1.13.2 and 1.13.3 apply in the case of the proposed development. Hence an exemption from the payment of the development contribution is sought under Sections 1.13.2 and 1.13.3 of the Plan.

The supporting rationale for the requested exemption is outlined below with reference to the above-mentioned considerations of Council's Plan and Planning Circular PS25-002:

- **The proposed development does not increase the demand for facilities, amenities and services provided by Council – the basis for collection of contributions expressed under Section 7.12 of the EPA Act 1979 and the RCC Contributions Plan (e.g. Section 1.4, Section 1.7 and Section 2)**
  - The site and development is quite distinct from a private development site on a discrete lot that relies on Council infrastructure entirely.
  - The proposal will not result in an increase in staff or student numbers, instead intended for occupants that will be redistributed from elsewhere on campus.
  - As described in the approved Traffic Impact Assessment, no additional trip generation is associated with the development and no additional parking is being supplied, meaning existing public transport and road / pedestrian access arrangements can be utilised without augmentation to the Council network. Council accepted this in their referral response to the Original SSDA submission.
  - The proposal will not require works to the Council stormwater drainage system. Site drainage connects to an existing large-capacity detention basin and aquifer recharge facility on-campus under the Village Green, from which campus bore water is extracted. This system substantially reduces stormwater discharge flows from the Campus to Council's stormwater system.
  - The development also does not create any additional demand in relation to other Council provided services and facilities such as open space, community facilities, public parking or the like.
- **The proposed development comprises or includes the provision, extension or augmentation of public amenities or public services that provide a public benefit (per Planning Circular PS25-002 and Council Plan Section 1.13.3 (a)(i))**

  As mentioned above, UNSW is a registered not-for-profit education facility and charity. It provides significant public benefits via its important educational and research service to the community, a range of community services and facilities. Additionally, it makes a substantial economic and social contribution to the Randwick Local Government Area (**LGA**) and beyond.

The range of community services and facilities UNSW provides, which are not only available to its community, but also to the wider public include:

- Four early learning centres situated in the Campus locality.
- Fitness & Aquatic Centre, which provides a gym, personal training, learn to swim and allied health.
- Library, performance venues and UNSW Health Service.
- Kingsford Legal Centre, which provides free legal advice, casework and legal education to the local community.
- Subsidised student accommodation (some of which is not excusive to UNSW students but other students).
- A range of outdoor open spaces, including passive and active recreation spaces, both at Kensington Campus and elsewhere in the Randwick LGA.

To further illustrate the undeniable social and economic contribution (public benefit) of the University, which is relevant to assessment of the basis for an exemption (per Section 1.13 of the RCC Contributions Plan), UNSW has substantially and tangibly contributed to:

- Delivery of education and research, which contributes billions to the national economy and around 16,000 jobs, most locally. The economic contribution of universities has been well established. For example, Deloitte analysis found that every $1 spent by an Australian university generates between $3 and $5 in flow on economic activity for the economy.
- Acceleration the transition to a sustainable society and planet – with world-leading advancements in (solar) photovoltaic technology, innovative solutions to transform waste into high-value products and restoring platypuses to the Royal National Park after an absence of decades.
- Advancement of economic and social prosperity – by expanding access to students historically under-represented in higher education, providing foundational support for the Uluru Statement from the Heart and constitutional recognition, and providing vital support to financially vulnerable individuals through UNSW's Tax & Business Advisory Clinic.
- Enabling healthy lives, by solving complex scientific challenges – from cancer treatments to diagnostics to agriculture, and advancing knowledge across vaccination programs, ageing, drug and alcohol use and mental health.
- Strengthening societal resilience, security and cohesion – through training Defence personnel, generating research based solutions to protect human rights domestically and globally, and providing counselling to refugees and asylum seekers.

At a project level, the development will deliver, at UNSW cost, infrastructure that fundamentally provides a public benefit in that it will enhance the medical research function of the University, thereby enhancing the activities within the Randwick Health and Innovation Precinct in line with State strategic policy objectives. It will also improve the teaching and research facilities provided by the University for the community, supporting the development of future generations of medical researchers, practitioners and professionals, as well as the health of the community.

Bearing in mind the other benefits of the proposal, outlined in the SSDA and this Report, the project itself will achieve the following direct benefits to the local community:

- improve the quality of research and teaching spaces as part of the University;
- enhance the UNSW experience through improvements to patient facilities and outward appearance of University buildings;
- enhance the relationship between the University and the health precinct;
- enhance the strategic contribution of the university to Australia's health and medical system; and
- support social sustainability through providing improved patient facilities for the community and enhancing accessibility.

▪ **The requirement for payment of developer contributions will create adverse financial circumstances for UNSW (per Planning Circular PS25-002 and Council Plan Section 1.13.3(a)(ii))**

In line with 1.13.3(a)(ii) of the Plan, UNSW will be affected by an adverse financial circumstance as the levying of a full payment of the Development Contribution would essentially result in:

- Duplication of UNSW costs associated with provision of public and publicly accessible infrastructure and services;
- Diversion of a portion of UNSW's not for profit funds to provision of augmentation of and provision of additional facilities, amenities and services that the development will not generate a demand for, nor impact upon. This diversion of funds from the University will erode fund available to the University to carry out its not-for-profit functions of delivery education important education services, research functions, and community services and facilities for the campus and the public.

The cost required under this levy could otherwise be used by UNSW on improving other world-class educational and community facilities within the campus and other University property. Diversion of these funds to Council would be at the expense of provision of services and facilities truly associated with the development and the University, for which the University is better placed to deliver than Council. This results in less funds available for the University to spend on services and infrastructure that have a direct association with the development and University, and, notably, less money to spend on educating students and / or research, and reduced economic benefits to the LGA.

This development is not an isolated incidence of contributions being required to be paid to Council for services and infrastructure not demanded by the University. The result being a cumulative erosion of significant funds available to the University, with a much greater effect than this site on its own. The compounded effect is a substantial erosion of the potential for UNSW to deliver its core functions. Adding the contributions required for this development, together with both the recently approved Building E25 (SSD-73456206) and Building G25 (SSD-74670005) developments, the impact is estimated by UNSW to be equivalent to a reduction to funds available for places per annum of either:

- 101 teaching students; or
- 98 business students; o
- 85 science students; or

– 57 medical students.

When considering this compounded effect on available University funding and the above-mentioned public benefits UNSW delivers through its own spending, these levies generate substantial and unwarranted adverse financial impact for the University. The basis for this is questionable, not only with regard to Section 7.12 of the RCC Contributions Plan, but in terms of the ethical basis for misallocation of the University's not-for profit funds towards purposes they are not intended for, and potentially arguably for a lesser public benefit than if the University put this money towards its own core operational functions. University funds would be far better directed toward its direct education and economic contributions, and addressing the real needs created by the development and the university's operations. UNSW is in a much stronger position than Council to deliver these outcomes. It can provide tangible, direct benefits clearly linked to the project.

On the basis of the above considerations, which have clear basis in RCC's own Contributions Plan, and the principles expressed in Planning Circular PS25-002 and Section 7.12 of the EP&A Act, UNSW maintains that the payment of a contribution should not be reasonably imposed on the development. The public benefit that UNSW provides to the Randwick LGA, and that this proposal provides specifically, are a sound basis for the discretion to not impose the payment of a development contribution.

Notwithstanding, in order to unduly delay the project's development programme, and therefore delay the delivery of the improved research and patient facilities at the site for UNSW staff, students and patients, UNSW agrees to amend the modification application. As referenced above, UNSW does not consider that this contributes to a precedent of the acceptability of the levy of development contributions on University development, by virtue of the fact that, should this particular amendment of this Modification Application not be withdrawn and the application be determined by DPHI, this would unreasonably delay the delivery of the E25 Biolink Building, which would be of disbenefit to the community.

Should you wish to discuss this matter further, please contact the undersigned.

Yours sincerely,

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